DOCTORS
MEDICAL CENTER

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER

GOVERNING BODY
BOARD OF DIRECTORS

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS
NOVEMBER 4, 2014 – 4:30 P.M.
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

Governing Body Members
Eric Zell, Chair
Supervisor John Gioia, Vice Chair
Irma Anderson
Wendel Brunner, M.D.
Deborah Campbell
Nancy Casazza
Sharon Drager, M.D.
Pat Godley
Richard Stern, M.D.
William Walker, M.D.
Beverly Wallace

AGENDA

1. **CALL TO ORDER** — E. Zell
2. **ROLL CALL**
3. **APPROVAL OF MINUTES OF MAY 7, 2014** — E. Zell
4. **PUBLIC COMMENTS** — E. Zell
   [At this time persons in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the of the Governing Body]
5. **CEO REPORT** — D. Gideon
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: For Information Only*
6. **REPORT OF THE REGIONAL PLANNING/STAKEHOLDERS COMMITTEE** — W. Walker, M.D., J. Pfeifer
   a. Presentation
   b. Discussion
   c. Public Comment

d. *ACTION: For Information Only*

7. **PRESENTATION OF DOCTORS CLOSURE AVERSION COMMITTEE (DCAC)** — O. Rounds, M.D., J. Templeton
   a. Presentation
   b. Discussion
   c. Public Comment
   e. *ACTION: For Information Only*

8. **PRESENTATION OF WAY FORWARD** — J. Templeton, S. Washington
   a. Presentation
   b. Discussion
   c. Public Comment
   f. *ACTION: For Information Only*

9. **REPORT OF THE CHAIR OF THE BOARD** — E. Zell
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: For Information Only*

10. **MEDICAL EXECUTIVE COMMITTEE REPORT** — R. Stern, M.D.
    a. Presentation
    b. Discussion
    c. Public Comment
    g. *ACTION: Approval of the Credentials Committee Report of the Medical Staff*

11. **CEP CONTRACT AMENDMENT** — D. Gideon
    a. Presentation
    b. Discussion
    c. Public Comment
    d. *ACTION: Approval of the Amendment to the CEP Contract*

12. **CHANGE IN THE NUMBER OF LICENSED BEDS** — B. Ellerston, R.N.
    a. Presentation
    b. Discussion
    c. Public Comment
    d. *ACTION: Approval of Change in the Number of Licensed Beds*

13. **REVISIONS TO PENSION PLAN** — B. Redlo
    a. Presentation
    b. Discussion
    c. Public Comment
    d. *ACTION: Approval Revisions to Pension Plan*

14. **REVISIONS TO NUHW COLLECTIVE BARGAINING AGREEMENT IN REGARDS TO EFFECTS BARGAINING** — B. Redlo
    a. Presentation
    b. Discussion

c. Public Comment
d. *ACTION: Approval of Proposed Revisions to NUHW Collective Bargaining Agreement*

ADJOURN TO CLOSED SESSION

A. Reports of Medical Staff Audit and Quality Assurance Matters Pursuant to Health and Safety Code Section 32155.

B. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6) Agency negotiators: Bob Redlo, VP of Patient Relations, Labor Relations & Workforce Development, John Hardy, Vice President of Human Resources: California Nurses Association, NUHW, PEU Local One and Local 39.

C. Discussion involving Trade Secrets Pursuant to Health and Safety Code Section 32106. Discussion will concern new programs, services, facilities.

ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY.

DOCTORS
MEDICAL CENTER

WCCHD DOCTORS MEDICAL CENTER
GOVERNING BODY BOARD OF DIRECTORS

May 07, 2014
Doctors Medical Center - Auditorium
2000 Vale Road
San Pablo, CA 94806

MINUTES

1. CALL TO ORDER

The meeting was called to order at 5:57 P.M.

2. ROLL CALL

Quorum was established and roll was called: 5:58 PM

Present:
Eric Zell, Chair
Supervisor John Gioia, Vice Chair
Irma Anderson
Sharon Drager, M.D.
Nancy Casazza
Richard Stern, M.D.
Beverly Wallace
William Walker, M.D
Pat Godley
Wendel Brunner, M.D.

Excused: Deborah Campbell

3. APPROVAL OF MARCH 26 , 2014 MINUTES

The motion made by Director Irma Anderson and seconded by Director Nancy Casazza to approve the March 26, 2014 minutes passed unanimously.

4. PUBLIC COMMENTS

No Public Comments

No Presentations were given and the meeting adjourned to closed session.

THE MEETING ADJOURNED AT 6:15 PM

Doctors Medical Center

Report to the Governing Body

November 2014

Where we are today, setting the context for tomorrow

- In February reported that we would be unable to make payroll by July without additional support
- In May, following Measure J parcel tax vote, repeated this July timeframe
- With County tax advance of $6 million approved in June, extended our timeline to end of September
- In August began significant cost reduction in an effort to also reduce losses. Those expense reductions, along with the $3 million state appropriation, extends our timeline to March

Cash flow projections assuming "status quo" (*in thousands*)

	Nov-14	Dec-14	Jan 2015	Feb 2015	Mar 2015	Apr 2015
Beginning Balance	1,073	1,977	7,694	1,889	16	(2,037)
Cash Receipts	8,271	12,529	4,778	4,223	3,656	7,219
Cash Payments	(7,367)	(6,813)	(10,583)	(6,096)	(5,709)	(8,500)
Change In Cash	904	5,716	(5,805)	(1,873)	(2,053)	(1,281)
Ending Balance	**1,977**	**7,693**	**1,889**	**16**	**(2,037)**	**(3,318)**

- Cash receipts in December include the excess tax payments
- Patient services cash receipts in Nov and Dec still relatively high as we collect for patient from June and July; drops significantly in Jan through April reflecting lower volumes in Aug – Dec
- Run out of money by March under the status quo scenario

Despite these reductions, we remain a full-service hospital

- Emergency Department
- Inpatient Care – including ICU
- Cancer Center
- Cath Lab
- Dialysis Services
- Inpatient and Outpatient Surgery
- Sleep Center
- Hyperbaric Medicine/Wound Care
- Diagnostic Services – lab, radiology

Before we can plan for the future, we need to survive the present

- Have not reduced/closed programs to the point of "no return", however…
- Need short term $2.5 million bridge from end of November until the end of December (and receipt of parcel tax)
- Need $11 million 2015 funding – secured no later than end of January

HFS consultants

Complete Solutions for Healthcare Management

Doctors Medical Center – San Pablo

Financial Analysis of Hospital and Urgent Care Clinic Options

November 4, 2014

HFS consultants

Project Background

- HFS Consultants and Hooper Lundy & Bookman were engaged by Hospital Council of Northern and Central California to develop a legal framework and financial models for proposed changes in operations at DMC.
- Seven scenarios (four hospital and three urgent care) were developed to provide continuing services at the current DMC site.
- Scenarios were developed in consultation with DMC, area hospitals and healthcare providers, state and county government, the medical association and other parties.
- We also examined the impacts of Designated Public Hospital (DPH) funding through Contra Costa Regional Medical Center and Federally-Qualified Health Center (FQHC) funding.

Financial Projection Assumptions – Hospital and Urgent Care Scenarios

Basic Information

- Data sources: DMC's historical data, area clinics and a national urgent care benchmark study
- Location assumed to be at the current DMC site
- We projected a typical full year of stabilized operations; no transitional/startup costs.
- Assumed DMC's existing tax revenues (except the 2011 Parcel Tax in the urgent care scenarios), debt structure and asset base (buildings & equipment)

Hospital Scenarios

Scenario	IP Beds	Emergency Services	Licensure	Variants
1.a. Streamlined Hospital	- 5 ICU - 10 Med/Surg	Basic ED (25 beds – no change)	DMC's license	- Standby ED (no ICU) - Consolidated license with CCRMC
1.b. Satellite ED	None	Standby ED (25 beds – no change)	CCRMC's license	

Several services eliminated (e.g. dialysis and cardiac catheterization lab); others reduced in volume (ED, surgery and outpatient services, etc.)

Urgent Care Scenarios

Scenario	Hours	Services	Staffing
2. Basic Urgent Care	9am – 9pm, 7 days a week	- Walk-in urgent care (10 exam / treatment rooms) - Basic lab - Basic X-ray - Pharmacy pre-packs (starter doses)	Board-certified Emergency Physicians and Physician Assistants
3. 24-Hour Urgent Care	24/7		
4. Expanded Urgent Care		Above, plus: - Clinical decision unit (beds) for stays < 24 hours - Pharmacy dispensing unit - CT & ultrasound - Wound & breast care, sleep unit	Same as above plus specialty physicians on-call

Financial Projection Assumptions
Tax Revenues and Debt

Principal Owed on Debts as of 12/31/14
Amounts in $000s

2004 Bonds (COPs)	$	19,147
2011 Bonds (COPs)		39,855
Capital Leases		535
Total Long Term Debt		59,537
Revolving Loan		5,508
Contra Costa Advance		15,835
Total Debt	$	80,880

- ***Most debt is covered by tax revenues.***
- ***2011 parcel tax would expire upon permanent closure of DMC and its ED.***

Tax Revenue and Debt Payments - 2015
Amounts in $000s

Revenue Source	Total Revenue	Committed to Debt Payments	Unen-cumbered
Ad Valorem Tax	$ 2,891	$ 2,891	$ -
2004 Parcel Tax	5,700	4,200	1,500
2011 Parcel Tax	5,126	-	5,126
Total	$ 13,717	$ 7,091	$ 6,626

Debt	Prin. & Int. Payments
County loan	$ 2,827
2004 COPs	1,801
2011 COPs	2,463
Total	$ 7,091

HFS consultants

Hospital and Urgent Care Scenarios

Comparative Statements of Income and Cash Flow ($000s)

Projected Typical Year (in $000s)	Scenario 1a - Streamlined Hospital			Scen. 1b - Satellite ED under CCRMC's license	Scen. 2 - Basic Urgent Care	Scen. 3 - 24-Hour Urgent Care	Scen. 4 - Expanded Urgent Care
	Basic Model	Standby ED	Standby ED & CCRMC license				
Operating revenue	$ 39,715	$ 37,348	$ 36,148	$ 14,791	$ 2,941	$ 3,804	$ 6,897
Operating expenses:							
Wages & benefits	44,296	38,554	38,554	16,425	2,074	2,527	3,669
Pro fees and purch. services	9,975	9,392	9,392	4,601	1,373	2,328	4,591
Supplies, utilities, ins. & other	9,109	8,674	8,674	4,184	1,055	1,350	2,099
Total operating expenses	63,380	56,620	56,620	25,210	4,502	6,205	10,360
Operating Income/(Loss)	**(23,665)**	**(19,271)**	**(20,471)**	**(10,419)**	**(1,561)**	**(2,401)**	**(3,463)**
Non-operating revenue/expense:							
Interest	(5,085)	(5,085)	(5,085)	(5,085)	(5,085)	(5,085)	(5,085)
Depreciation	(5,471)	(5,471)	(5,471)	(5,471)	(5,471)	(5,471)	(5,471)
Leases	(2,125)	(1,990)	(1,990)	(1,739)	(1,739)	(1,739)	(1,739)
District tax revenue	13,717	13,717	13,717	13,717	8,617	8,617	8,617
Maintenance of unused space	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Other non-operating income	230	230	230	230	230	230	230
Net Income/(Loss)	**$ (22,899)**	**$ (18,370)**	**$ (19,570)**	**$ (9,267)**	**$ (5,509)**	**$ (6,350)**	**$ (7,412)**
Adjustments for cash flow:							
Depreciation expense	5,471	5,471	5,471	5,471	5,471	5,471	5,471
Principal payments	(1,227)	(1,227)	(1,227)	(1,227)	(1,227)	(1,227)	(1,227)
Amort. of parking lot income	(230)	(230)	(230)	(230)	(230)	(230)	(230)
Capital expenditures	(1,600)	(1,600)	(1,600)	(1,600)	(215)	(215)	(332)
Net cash generated/(used)	**$ (20,485)**	**$ (15,956)**	**$ (17,156)**	**$ (6,853)**	**$ (1,710)**	**$ (2,551)**	**$ (3,730)**

Financial Effects of FQHC Status

Additional Cash Income ($000s)

Projected Typical Year (in $000s)	Scenario 1a - Basic Model	Scenario 1a - Standby ED	Scenario 1a - Standby ED & CCRMC license	Scen. 1b - Satellite ED under CCRMC's	Scen. 2 - Basic Urgent Care	Scen. 3 - 24-Hour Urgent Care	Scen. 4 - Expanded Urgent Care
Net cash generated/(used):							
Without FQHC status	$ (20,485)	$ (15,956)	$ (17,156)	$ (6,853)	$ (1,710)	$ (2,551)	$ (3,730)
Add'l Medicare & Medi-Cal Pmts.	-	-	-	-	1,295	1,825	2,452
With FQHC status	$ (20,485)	$ (15,956)	$ (17,156)	$ (6,853)	$ (415)	$ (726)	$ (1,278)

FQHC Benefits: Higher Medi-Cal and Medicare payments, 340B drug pricing and possibility of grants

Conclusions from Financial Analysis

- While we projected all scenarios would incur operating losses and negative cash, urgent care cash losses are much smaller than any of the hospital losses ($2-4M compared to $17-20M).
- The most financially viable model analyzed is Scenario 2: Basic Urgent Care, with FQHC status. This would lose about $1M cash, per year.
- The benefit of FQHC cost reimbursement to an urgent care clinic is $1.3M - $2.5M/year, depending on the scenario.

DMC-SP Hospital & Urgent Care Options

HFS Consultants

505 Fourteenth Street, Fifth Floor

Oakland, CA 94612-1912

John Pfeiffer, Principal

johnp@hfsconsultants.com

www.hfsconsultants.com **510.768.0066**

BRANCH OFFICES: Oakland | Fresno | Orange County | Chicago, IL
Milwaukee | Maryland | Phoenix, AZ | Portland, OR

DCAC

DCAC: A Path to a DMC Vision of Tomorrow

DCAC concurs with a key consideration recently raised by Richmond CM Bill Lindsay. How can engagement with municipal, regional, county, state and federal agencies; and local/regional corporations and other businesses culminate in a broad-based cohesive partnership that insures the continued presence of high quality healthcare center in WCCC? Moreover DCAC envisions such a center as the pivot point from which can radiate a health system that sustains an excellent teaching hospital and thereby morphs the institution into a 21st century medical campus that epitomes the ***DMC Vision of Tomorrow*** espoused by DCAC. The Way Forward Plan eluded to earlier offers one option as a framework toward such an achievement. Yet, our primary challenge today is obtaining sufficient bridge funding to obtain this goal.

DCAC believes The format laid out by the RCC is a path upon which a sustainable DMC fiscal solvency solution can commence. The challenge is how best to incorporate elements of additional public and private stakeholder involvement to galvanize a truly sustainable solution. DCAC offers four points to assist in achieving this goal:

I. Firstly gain shared participation of all WC municipalities and its smaller communities based upon parity. It is essential that all area municipal governments responsibly seek and determine means to insure uninterrupted appropriate health services for area residents. This can be achieved through formation of a consortium of collective municipalities. would make it much easier for each individual municipality to promote and gain support for initiatives launched by the group among its own constituents to attain the group's goals. DCAC believes this can best be accomplished by formation of A **West County Municipal Healthcare Consortium (WCMHC)** can:

   - λ Craft a structured consensus plan based upon a ***"Consortium Partnership"*** to develop a **'WC Health Outcomes Proposal'** to achieve DMC fiscal solvency. The proposal should outline mechanisms to:

      - ϑ Provide a liaison representative to the *Consortium* from each municipality.
      - ϑ Promote its message among the various constituencies.
      - ϑ Enlist participation of all neighborhood councils.

ϑ Engage assistance from all area corporate industries.

ϑ Encourage support and aid from local civic organizations.

λ The "Consortium Partnership" should swiftly draft consensus resolutions for presentation and approval of all WC city councils, CCC BOS and the state assembly.

a. Remain resolute in *Consortium* insistence for inclusion of CCC BOS buy-in and financial support for a DMC fiscal solvency solution. Encourage all WC census designated places (towns and cities) through District I & V Supervisors to provide proportional funding participation in the solvency program.

The key challenge will be to Build a *Consortium* consensus proportional share format for a 5 year financial pledge of DMC fiscal solvency assistance provision through refinement of the model put forth at the October 7 RCC meeting.

City of Richmond Proposal:	DMC Three Year Bridge Funding Strategy
Contra Costa County Debt (Forgiveness)	2.9
Hospital Community (Debt Subsidy)	4.3
DMC Cost Savings	0.8
Parcel Tax	5.0
City of Richmond/Chevron ECIA	5.0
Total	$18.0M

Table I. City of Richmond Initiative

The City of Richmond initiative above requires passage of a 2015 parcel tax measure as a condition of participation and DMC must remain a full service hospital through 2017. Also the city seeks to develop a plan to obtain funding commitments from other sources.

Review by DCAC of the pertinent WCCC demographics depicted in the chart below underscores quite clearly a proportional basis for parity participation and asset allocation by all WC communities; that can with the city of Richmond through a structured process such as a **West County Municipal Healthcare Consortium,**

DCAC

collaboratively construct a viable DMC fiscal solvency solution such as this one which follows that is offered by DCAC and collectively advocate for its strong support in each respective WCC community.

Table II: WCC Cities Proportional DMC Contribution

	% Weighted Contribution	Contribution $M	2010 Pop.	% Pop. Total	*% Ambl. Traffic*	2013 Discharge Encounters	% DE Total
Bayview			1754	0.7%			
Crockett			3094	1.3%			
East Richmond Heights			3280	1.4%			
El Cerrito	9.09%	3.1	23549	9.8%	6	2518	**3.8%**
El Sobrante	5.99%	2.1	12669	5.3%	=	5627	**8.6%**
Hercules	9.56%	3.3	24060	10.0%	4	4350	**6.6%**
Kensington	1.66%	0.6	5077	2.1%			
Montalvin Manor	0.94%	0.3	2876	1.2%	**4.7M**		
N Richmond	1.22%	0.4	3717	1.5%	**29.3M**		
Pinole	7.68%	2.6	18390	7.7%	=	5097	7.8%
Richmond	43.83%	15.0	103701	43.2%	48	28436	43.3%
Rodeo	3.66%	1.3	8679	3.6%	=	2513	3.8%
San Pablo	15.52%	5.3	29139	12.1%	25	17102	**26.1%**
WCC - Municipalities = 82.85%							
WCC-Total	1	**34.0**	239985	100.0%		65643	100.0%

Note the DCAC "WC Health Outcomes Proposal' differs from the Richmond initiative in two important ways. Firstly, it obviates the necessity of saddling WCCC residents with a third parcel tax. Rather it advocates for each city to provide DMC funding through a combination of liquid financial instruments and/or surplus land transfers. Secondly, it would provide DMC with twice the amount of non-operating revenue ($108M) over the next three years.

b. Secure commitments for collaborative funding strategy

DCAC thinks not only should a poll be conducted per WCCHD Board and the City of Richmond advocacy to gain insight into the strength of support for a new parcel tax; but as urgently, that the WCCHD BOD designate a team to work with the City of Richmond to engage and advocate consensus participation with the '**Consortium Proposal**' by each constituted WCCC governmental body before **December 19, 2014.**

II. DCAC secondly stresses that the BOD engage local corporations and business as private sector partners to contribute to developing, financing, and implementing the **DMC Vision of Tomorrow** while concurrently participating in the oversight monitoring process of its sustainability.

a. Private Sector Partnership in Development of DMC Funding Strategy

Cannot **re-invigoration of** ***the DMC Foundation*** **obtain supplementary funding sources**?

i. Via establishment of an alliance of private sector DMC stakeholders committed to DMC fiscal solvency.

ii. Seek sources of and ways to secure collaborative funding commitments.

III. Thirdly, DCAC strongly recommends the BOD initiates and nurtures broad-based community involvement to solicit supplementary DMC financial funding and to harness legislative and academic support for the hospital through collaborative participation of neighborhood councils and other area civic organizations as well as local private stakeholders. A structured community advisory body can:

a. Conduct DCAC-DMC community informational meetings to garner support and enlist volunteers for advocacy of the '**WC Health Outcomes Proposal**'.

b. Urge each municipality lobbyist(s) to assertively and persistently appeal to state, federal and private agencies to contribute to DMC's financial bottom line via provision of waivers, subsidies, deduction allowances and other revenue enhancement amenities that improve DMC fiscal operations.

c. Compel through advocacy, legislative *Public Hospital Designation* approval.

d. Advocate development of a relationship with CCRMC and/or other regional hospitals to foster DMC academic teaching affiliation designation.

IV. Lastly, DMC staff productivity enhancement that affords unparalleled operational efficiency, delivers superior quality care and greater cost savings is critical.

a. DCAC is exploring options for strategies to develop a recovery plan that can serve as a forerunner to a *DMC Business Plan* and subsequent **DMC 2030 Strategic Master Plan.**

b. Vital to achieving DMC's recovery is our ability to focus attention on setting goals for change management of policies and procedures of its operations and assets supervision that culminate in financial outcomes which foster deficit elimination, balanced budget attainment and long-term financial solvency maintenance:

i. Deficit Elimination: Prevention/Accountability/Oversight

1. Physicians Contracts Revision
2. Nursing Contracts Revision
3. Departmental Services Costs Reduction, e.g.; OR theaters, GI Lab, Cath Lab operational expense, etc.
4. Cost Recovery Initiatives for identifiable hospital operations.
5. Enhanced collection of outstanding debts and decreasing collection time by 50% could result in an additional $0.5M influx of revenue annually.
6. Consider CFO staff reorganization, detailing budget oversight integration with departmental internal/external audit controls, payroll oversight, bill payment, revolving accounts and cash management.
7. Initiate a rank-and-file interview advisory committee to make recommendations on all new management hires.

ii. Balanced Budget Attainment: Key Recovery Challenges

1. ***Public Hospital Designation*** procurement via a legislature bill similar to AB 1008 that minimizes revenues deductions.

2. ***Surplus Land* Acquisition** procurement for balance sheet assets enhancement for short-term lending requirements and additional cash flow provision from sales or leasing as needed.

3. ***DMC Foundation*** reinvigoration to secure sources of funding.

4. Negotiation of creative agreements with unions to minimize employee job losses, foster costs sharing of retirement benefits and capping of medical benefits; thus assisting in obtaining a balanced budget.

5. Submit RFP to solicit for a new external auditing firm for the next three fiscal years enabling a fresh perspective toward the annual DMC budget preparation process.

iii. Long – Term Financial Solvency Institution: Investment

Fiscal sustainability will require significant investment in DMC property, plant and equipment assets which DCAC views are essential to DMC long-term survival. Several of the following are examples of PP&E items while others reflect DMC's acknowledgement *of its debt to and partnership* with **the entire WCCC community**:

1. Formulation of **a DMC 2030 Strategic Master Plan Consortium** comprised of thought leaders dedicated to a public/private partnership endeavor to develop long-term strategic options for DMC organizational sustainability and growth in the greater West Contra Costa County community.

2. Creation of **a sustainable West County region-wide district healthcare system plan** based on operations honed to develop a new model of primary care delivery that combines acute care inpatient services with **satellite outpatient FQHCs** and rehab programs and occupational medicine **services** under the aegis of the WCCHD.

3. Participation in **research activities** that explore evidence-based solutions for childhood asthma management in a 10

bed **pediatric clinic/research unit demonstration project**.

4. Optimal **integration of clinical, teaching and research activities** of **a re-engineered DMC image, brand and marketplace offering.**
5. Development of a relationship(s) with CCRMC and/or other regional hospitals for **DMC academic teaching affiliation**.

6. Prior to January 1, 2018 adopt ***The Way Forward*** **Plan** and/or approve a proposal such as that conceptualized in The ***DMC Vision of Tomorrow*** **Scenario** that fosters construction of a New DMC Campus with medical features possessing the capacitance to contain state-of the art **obstetrical and psychiatric** as well as med/surgical units; nursing, radiology and other **paraprofessional schools**; and outpatient **clinical and research pavilions** contingent upon pre-designed *attributes of scalability*.

7. Identify a list of **complementary economic development projects** that can be incorporated as non-medical mixed-use components of the new hospital campus.

8. Submit a RFD (request for discussion) to organizations (nationally and regionally) to begin a dialogue of possible interest in **partnering with the 'DMC of Tomorrow'.**

9. Establish **investment strategies utilizing the *DMC Foundation*** to provide additional funds for **capital projects** as needed.

10. **Develop a strategy** to provide **complete parcel tax abatement in 5 – 10 years**; thereby, demonstrating to WC residents WCCHD's earnest **commitment to maintain a balanced budget** and **relieve residents** of the onerous demands **of parcel taxes**.

11. Establish a plan for WCCHD bond debt retirement by reviewing current bond debt for possible consolidation with resultant **improvement in our credit rating**.

DCAC thanks this Board for this opportunity to share these insights we have gained the last four months in our efforts to avert the closure of DMC and we hope this presentation has outlined the clear path that is our DMC Vision of Tomorrow. Swift and resolute actions by this BOD are necessary now. We your constituents deem it incumbent upon this BOD within the next calendar quarter to exercise the decisive acts needed to avert development of a WCC healthcare wasteland that will arise should DMC cease as a full service hospital.

Presented with Kindest Regards on behalf of the DMC Closure Aversion Committee,

Otis E. Rounds, MD

Chair

November 4, 2014

TOWARD A DMC VISION OF TOMORROW

DCAC concurs with a key consideration recently raised by Richmond CM Bill Lindsay.

How can a Public – Private Sector linkage result in a broad-based cohesive partnership to assure the continued presence of a high quality full service hospital in WCCC?

DCAC envisions such a hospital as the pivot point from which radiates a health system that also serves as an excellent training institution that will ultimately morph into a 21st century medical campus that epitomes the *DMC Vision of Tomorrow* .

The Way Forward Plan that will follow this presentation offers one option as a framework toward such an achievement.

Yet, our challenge today is obtaining sufficient bridge funding to achieve these goals.

TOWARD A DMC VISION OF TOMORROW

DCAC believes the format laid out by the RCC is a path upon which a sustainable DMC fiscal solvency solution can commence. DCAC offers four points to assist in achieving this goal:

Firstly gain shared participation of all WC municipalities and its smaller communities based upon parity.

This can be achieved through formation of a West County Municipal Healthcare Consortium (WCMHC) that can:

Craft a structured consensus plan based upon a *"Consortium Partnership"* to achieve DMC fiscal solvency.

TOWARD A DMC VISION OF TOMORROW

The proposal should outline mechanisms to:

Provide a liaison representative to the *Consortium* from each municipality.

- Promote its message among the various constituencies.

Enlist participation of all neighborhood councils.

- Engage assistance from all area corporate industries.

Encourage support and aid from local civic organizations.

The "Consortium Partnership" should swiftly draft consensus resolutions for presentation and approval of all WC city councils, CCC BOS and the state assembly.

Encourage all WC census designated places (towns and cities) through District I & V Supervisors to provide proportional funding participation in the solvency program.

TOWARD A DMC VISION OF TOMORROW

The key challenge will be to build a *Consortium* consensus proportional sharing format for a 5 year financial pledge of DMC fiscal solvency assistance provision through refinement of the model put forth at the October 7 RCC meeting.

Table I. City of Richmond Initiative

Table I.	City of Richmond Initiative
City of Richmond Proposal:	DMC Three Year Bridge Funding/Yr.
CCC Debt Forgiveness	2.9M
Community Hospital Debt Subsidy	4.2
DMC Cost Savings	0.8
Parcel Tax	5.0
City of Richmond/ EICA	5.0
Total	$18.0M

TOWARD A DMC VISION OF TOMORROW

The City of Richmond Initiative requires passage of a 2015 parcel tax measure as a condition of participation and that DMC remain a full service hospital through 2017. Also the city seeks to develop a plan to obtain funding commitments from other sources.

Review by DCAC of the pertinent WCCC demographics depicted in the next chart underscores quite clearly a proportional basis for parity participation and asset allocation by all WC communities; that can along with the city of Richmond through a structured process such as a West County Municipal Healthcare Consortium, collaboratively construct a viable DMC fiscal solvency solution similar to what DCAC is proposing; that can be collectively advocated for strong support in each respective WC community.

WCC Cities Porportional DMC Contribution

			2010			**2013**	
	%	Contribution	Pop.	% Pop. Total		Discharge	% DE Total
Bayview	Weighted	**$M**	1754	0.7%		Encounters	
Crockett	Contribution		3094	1.3%			
East Richmond Heights			3280	1.4%			
El Cerrito	9.09%	3.1	23549	9.8%	<	2518	**3.8%**
El Sobrante	5.99%	2.1	12669	5.3%	>	5627	**8.6%**
Hercules	9.56%	3.3	24060	10.0%	<	4350	**6.6%**
Kensington	1.66%	0.6	5077	2.1%			
Montalvin Manor	0.94%	0.3	2876	1.2%	**4.7M**		
N Richmond	1.22%	0.4	3717	1.5%			
Pinole	7.68%	2.6	18390	7.7%	**29.3M**	5097	7.8%
Richmond	43.83%	15.0	103701	43.2%		28436	43.3%
Rodeo	3.66%	1.3	8679	3.6%		2513	3.8%
San Pablo	15.52%	5.3	29139	12.1%	>	17102	**26.1%**
WCC - Municipalities = 82.85%							
WCC-Total	1	**34.0**	239985	100.0%		65643	100.0%

TOWARD A DMC VISION OF TOMORROW

Note the DCAC WCMHC Proposal differs from the Richmond Initiative in two important ways. Firstly, it obviates the necessity of saddling WCCC residents with a third parcel tax. Rather it advocates for each city to provide DMC funding through a combination of liquid financial instruments and/or surplus land transfers. Secondly, it would provide DMC with twice the amount of non-operating revenue ($108M) over the next three years.

Thus what path to securing commitments for collaborative funding strategy should DMC pursue?

DCAC recommends not only should a poll be conducted per WCCHD Board and the City of Richmond advocacy to gain insight into the strength of support for a new parcel tax; but as urgently, that the WCCHD BOD if not tonight, through joint input from the current WCCHD Chair E. Zell and incoming Chair D. Campbell designate a team, with DCAC as a participant, to work with the City of Richmond to engage and advocate consensus participation in and with the 'Consortium Proposal' by each constituted WCCC governmental body before December 19, 2014.

TOWARD A DMC VISION OF TOMORROW

II. DCAC secondly stresses that the BOD engage local corporations and business as private sector partners to contribute to developing, financing and implementing the DMC Vision of Tomorrow while concurrently participating in the oversight monitoring process of its sustainability.

Private Sector Partnership in Development of DMC Funding Strategy

Cannot re-invigoration of *the DMC Foundation* obtain supplementary funding sources?

- Via establishment of an alliance of private sector DMC stakeholders committed to DMC fiscal solvency.
- Seek sources of and ways to secure collaborative funding commitments.

TOWARD A DMC VISION OF TOMORROW

III. Thirdly, DCAC strongly recommends the BOD initiates and nurtures broad-based community involvement to solicit supplementary DMC financial funding and to harness legislative and academic support for DMC through joint input from current WCCHD Chair E. Zell and incoming Chair D. Campbell initiate collaborative participation of neighborhood councils and other area civic organizations as well as local private stakeholders. A structured community advisory body can:

Conduct DCAC-DMC community informational meetings to garner support and enlist volunteers for advocacy of the 'WCMHC' Proposal.

Urge each municipality lobbyist(s) body to assertively appeal to state, federal and private *agencies* to contribute to DMC's financial bottom line via provision of waivers, subsidies, deduction allowances and other *revenue enhancement amenities* that improve DMC fiscal operations.

TOWARD A DMC VISION OF TOMORROW

IV. Fourthly and lastly, DMC staff productivity enhancement that affords unparalleled operational efficiency, delivers superior quality care and greater cost savings is critical.

DCAC is exploring options for strategies to develop a recovery plan that can serve as a forerunner to a *DMC Business Plan* and a subsequent DMC 2030 Strategic Master Plan.

Vital to achieving DMC's recovery shall be WCCHD Board ability to focus attention on setting goals for change management of policies and procedures of DMC operations and assets supervision that culminate in financial outcomes which foster <u>deficit elimination</u>, <u>balanced budget attainment</u> and <u>long-term financial solvency maintenance:</u>

TOWARD A DMC VISION OF TOMORROW

i. Deficit Elimination:

1.Physicians Contracts Revision

2. Nursing Contracts Revision

3. Departmental Services Costs Reduction, e.g.; OR theaters, GI Lab, Cath Lab operational expense, etc.

4. Cost Recovery Initiatives for identifiable hospital operations.

TOWARD A DMC VISION OF TOMORROW

5. Enhanced collection of outstanding debts and decreasing collection time by 50% could result in an additional $0.5M influx of revenue annually.

6. Consider CFO staff reorganization, detailing budget oversight integration with departmental internal/external audit controls, payroll oversight, bill payment, revolving accounts and cash management.

7. Initiate a rank-and-file interview advisory committee to make recommendations on all new management hires.

TOWARD A DMC VISION OF TOMORROW

ii. Balanced Budget Attainment: Key Recovery Challenges

- *Public Hospital Designation* procurement via a legislature bill similar to AB 1008 that minimizes revenues deductions.
- *Surplus Land* Acquisition procurement for balance sheet assets enhancement for short-term lending requirements and additional cash flow provision from sales or leasing as needed.
- *DMC Foundation* reinvigoration to secure sources of funding.
- Negotiation of creative agreements with unions to minimize employee job losses, foster costs sharing of retirement benefits and capping of medical benefits; thus assisting in obtaining a balanced budget.
- Submission of a RFP to solicit for a new external auditing firm for the next three fiscal years enabling a fresh perspective toward the annual DMC budget preparation process.

TOWARD A DMC VISION OF TOMORROW

iii. Long – Term Financial Solvency Institution: Investment

Fiscal sustainability will require significant investment in DMC property, plant and equipment assets which DCAC views are essential to DMC long-term survival. Several of the following are examples of PP&E items while others reflect DMC's acknowledgement *of its debt to and partnership* with the entire WCCC community:

- Formulation of a DMC 2030 Strategic Master Plan Consortium comprised of thought leaders dedicated to a public/private partnership endeavor to develop long-term strategic options for DMC organizational sustainability and growth in the greater West Contra Costa County community.

- Creation of a sustainable West County region-wide district healthcare system plan based on operations honed to develop a new model of primary care delivery that combines acute care inpatient services with satellite outpatient FQHCs and rehab programs and occupational medicine services under the aegis of the WCCHD.

TOWARD A DMC VISION OF TOMORROW

Participation in research activities that explore evidence-based solutions for childhood asthma management in a 10 bed pediatric clinic/research unit demonstration project.

Optimal integration of clinical, teaching and research activities of a re-engineered DMC image, brand and marketplace offering.

Development of a relationship(s) with CCRMC and/or other regional hospitals for DMC academic teaching affiliation.

TOWARD A DMC VISION OF TOMORROW

Prior to January 1, 2016 adopt *The Way Forward* Plan and/or approve a proposal such as the conceptualized The *DMC Vision of Tomorrow* Scenario that fosters construction of a New DMC Campus with medical features possessing the capacitance to contain state-of the art obstetrical and psychiatric as well as med/surgical units; nursing, radiology and other paraprofessional schools; and outpatient clinical and research pavilions contingent upon pre-designed *attributes of scalability*.

Identify a list of complementary economic development projects that can be incorporated as non-medical mixed-use components of the new hospital campus.

Submit a RFD (request for discussion) to organizations (nationally and regionally) to begin a dialogue of possible interest in partnering with the 'DMC of Tomorrow'.

Establish investment strategies utilizing the *DMC Foundation* to provide additional funds for capital projects as needed.

TOWARD A DMC VISION OF TOMORROW

Establish a plan for WCCHD bond debt retirement by reviewing current bond debt for possible consolidation with resultant improvement in our credit rating.

Lastly, Develop a strategy to provide complete parcel tax abatement in 5 – 10 years; thereby, demonstrating to WC residents WCCHD’s earnest commitment to maintain a balanced budget and relieve residents of the onerous demands of parcel taxes.

TOWARD A DMC VISION OF TOMORROW

DCAC wishes to thank this Board for this opportunity to share these insights we have gained the last four months in our efforts to avert the closure of DMC and we hope this presentation has outlined the clear path that is our DMC Vision of Tomorrow.

Swift and resolute actions by this BOD are necessary now.

We your constituents deem it incumbent upon this BOD within the next calendar quarter to exercise the decisive acts needed to avert development of a WCC C healthcare wasteland which will arise should DMC cease as a full service hospital.

Presented with Kindest Regards on behalf of the DMC Closure Aversion Committee,

Otis E. Rounds, MD

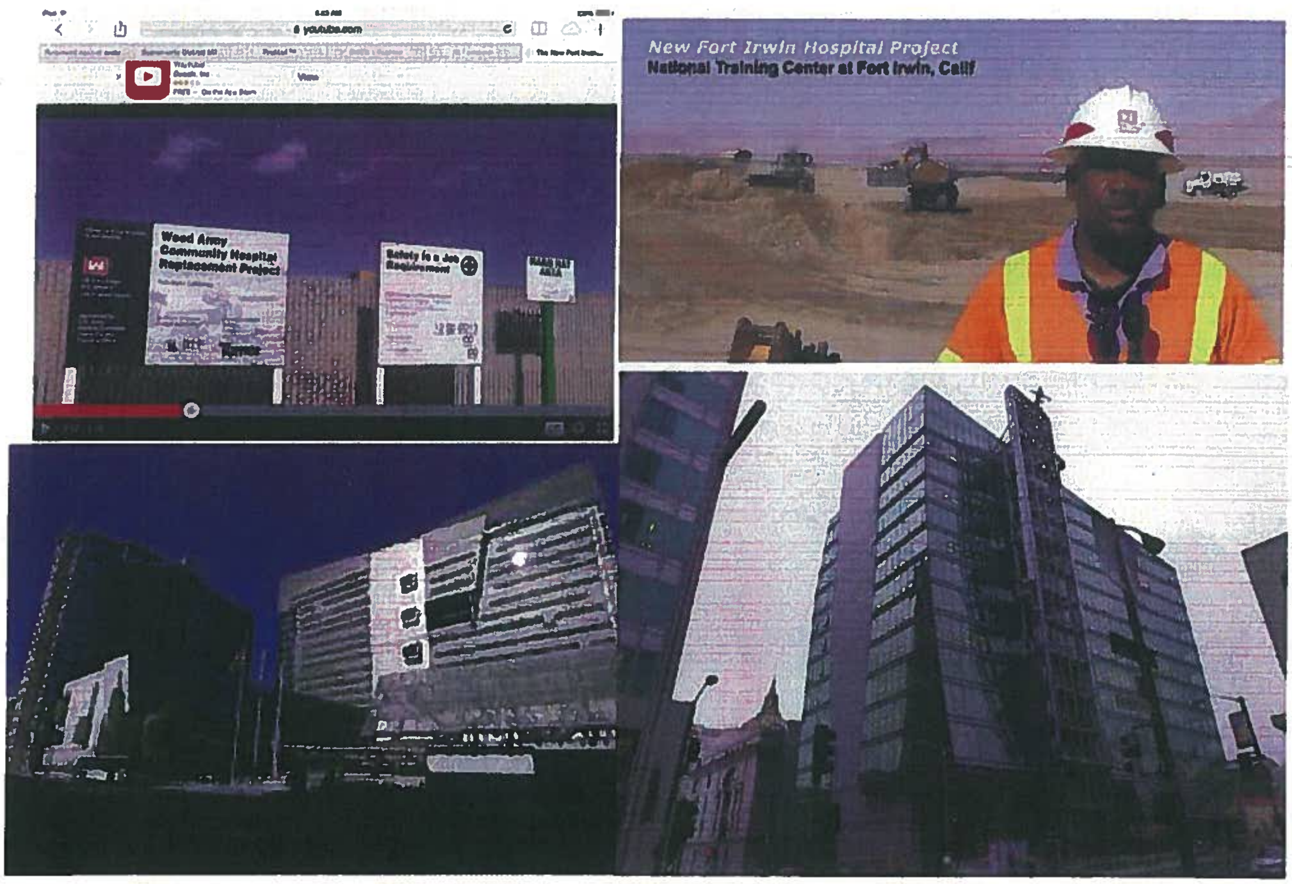
Chair

November 4, 2014

Sammuel. Washington
Executive Strategist, Technology & Business Solutions Delivery
ITSource Technology, Inc.
www.linkedin.com/in/sammuelwashington
Email: sam.washington@itsourcetek.com
Direct: 650.218.9171

John William Templeton
President
Venturata Economic Development
john@venturata.com
(415) 272-7209/(415) 240-3537
Nov. 4, 2014

West Contra Costa Health Equity Center



Photos from U.S. Army Corps of Engineers video (http://youtu.be/0DqsmI46QB4)of construction of nation's first carbon neutral hospital serving the National Training Center at Ft. Irwin in San Bernardino County--$162 million, 216,000 sq. ft. facility with 70 beds and exam rooms; off-grid San Francisco Federal Building and San Francisco Public Utilities Commission headquarters

Doctors Medical Center emergency room handled 60 percent of EMT in Contra Costa County

Pictured. Richmond City Council reallocates $15 million for DMC full service hospital

[illegible]

Plan calls for $15million and reopening of talks with Kaiser,Chevron and the County

By John Templeton and Post Staff

Dr. Brazell Carter has served the patients of West Contra County for 35 years, but for the past two months, he has watched at least three patients die needlessly because they could not be treated at the hospital nearest them

Dr. Brazell Carter

Carter led an array of doctors, nurses, social workers and the hospital CEO to convince the City Council to take a regional leadership role in the revitalization of Doctors Medical Center (DMC) as a full-service hospital at last Tuesday's city council meeting.

After three hours of public testimony and discussion,

Corky Booze

Nat Bates brought the hospital matter before the normally fractious group, the council

Samm Washington

direct City Manager Bill Lindsay to reopen negotiations with Chevron to reallocate $15 million from the

Nat Bates

is associated with a $1 billion refinery modernization project

Hospital staff including interim CEO Dawn

When the California legislature voted to commit twenty-five percent of cap and trade revenues to projects benefiting underrepresented communities, it was a clear statement about the need to address environmental justice and health disparities.

The Way Forward team of consultants has been commissioned by the Doctors Medical Center Closure Aversion Committee to make that policy reality in the state's second highest concentration of industrial emissions by doing what so-called experts say is impossible, creating a thriving public hospital to serve 250,000 residents of West Contra Costa County.

Our solution is to replace the 60-year-old seismically unfit facility with the U.S.A.'s first carbon-neutral public zero waste public hospital as a model for keeping the promise of the Affordable Care Act alive.

There is only one such hospital in the country, the new Ft. Irwin Community Hospital in Barstow bulit by the U.S. Army, and two others in the Western Hemisphere-- in British Columbia and Costa Rica.

However, low income communities with severe health disparities share a common trait, proximity to industrial and transportation emissions. West Contra Costa County gets a double whammy by hosting four refineries and being bracked by the state's primary north-south freeways.

DMC Closure Aversion Committee has stalled the planned closure of the only public hospital serving the area by working with Assembly Budget Chair Nancy Skinner to gain $3 million in a one time grant from the State of California and $15 million in anticipated revenues from a settlement between Chevron and the City of Richmond once modernization of the Richmond refiner begins.

Richmond City Manager Bill Lindsay responded with a plan to provide $5 million per year over three years from the City of Richmond, have the county extend $3.8 million in debt forgiveness, receive $4 million from nearby hospitals and offer a small parcel tax to raise an additional $5 million. Despite City Council approval last week, none of the elements is guaranteed or offers immediate financial assistance.

Behind those exigencies is the University of California and Lawrence Berkeley National Laboratory's plan to build out the Richmond Bay campus with academic and research facilities that would be twice the size of Mission Bay in San Francisco.

Within 10 miles are the western laboratories of the Environmental Protection Agency, U.S. Dept. of Agriculture and State Dept. of Toxic Substances. Berkeley Lab is the center of excellence for health care energy efficiency. The Los Angeles and Sacramento districts of the U.S. Army Corps of Engineers designed the carbon-neutral hospital at Ft. Irwin in San Bernardino County.

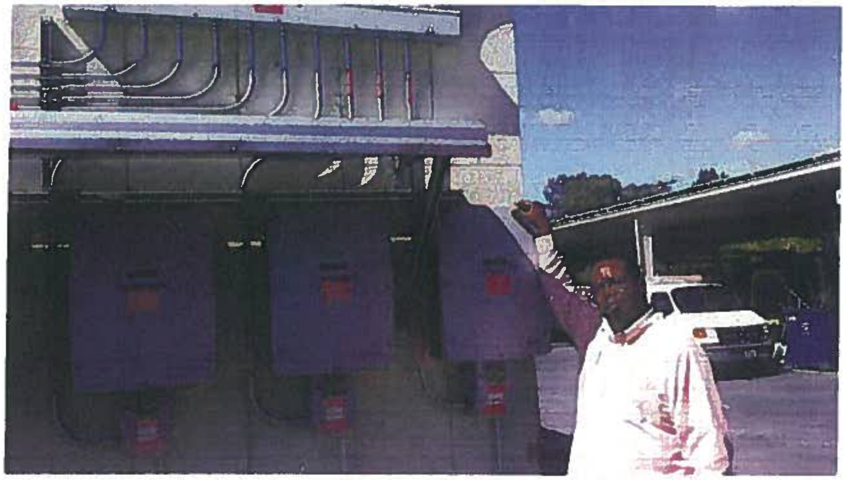
EPA has mandated the health care industry to reach carbon neutral by 2030.

The short breathing room created by the committed citizens of West Contra Costa County allowed us the eliminate the dichotomy between environmental compliance and primary health care by making a new West Contra Costa Health Equity Center an asset for every industrial emitter in the region and a model which demonstrates sustainability for similar communities globally.

Our plan is to raise at least $60 million in carbon offsets towards the replacement facility with solar and wind power embedded similar to the Public Utilities Commission in San Francisco with capability to operate off grid as does the new Federal Building at Seventh and Mission in San Francisco; utilization of agricultural waste from Contra Costa County's agricultural businesses and power participation agreements to install solar panels on West Contra Costa Unified School District, Richmond Housing Authority and municipal buildings in the localities within the health district.

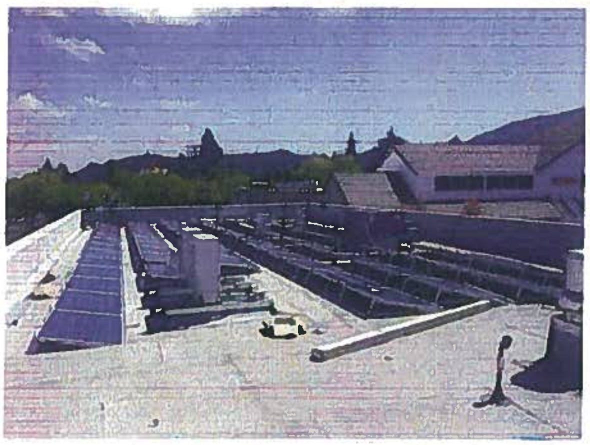
The internal design will also save energy by incorporating medical home practices, using energy saving cutting edge laser surgery and maintaining 10-minute access for ambulances from the area.

Health Equity Embedded



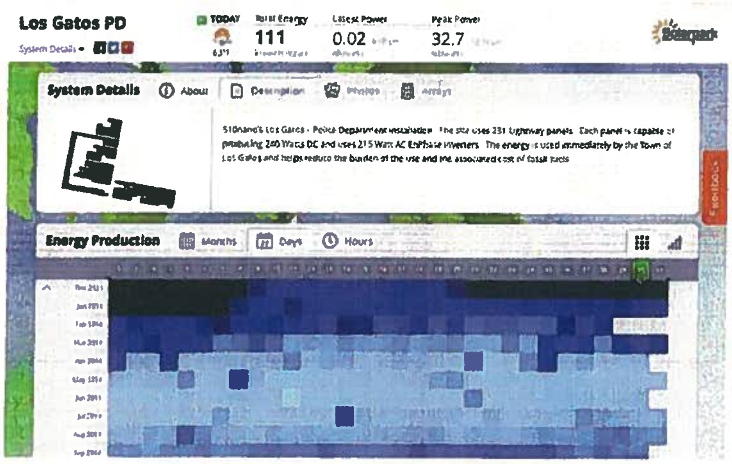
Our approach also embraces the mandate of the Affordable Care Act to eliminate health disparaties by facilitating behavioral approaches to preventive health.

The design would include space for a day care center, a senior activities room to serve nearby skilled nursing centers, a science classroom laboratory for use by West Contra Costa Unified and private schools and a daily farmers market for farmers participating in biowaste programs.



Dr. Reginald Parker of 510Nano with solar farm atop Los Gatos police and public works buildings under a 20-year power participation agreement. For a 200,000 sq. ft building, his technology will be able to provide 3 million kilowatt hours yearly in clean solar power, covering 40 percent of current average electricity use

Economic development is part of preventive health



Part of the space would be dedicated to a health care and energy incubator for projects whic utilize the historical industrial impact registry, create new therapies or medical projects or enhance energy efficiency. The hospital district would retain an ownership stake in such ventures as they emerge in the fashion of the Stanford Industrial Park. That presents the opportunity to build a long-term endowment.

The day care center, senior activities room, school classroom, farmers market and incubator all bring people into the health equity center before they get sick and boost the population of patients with private insurance. For 60 years, the hospital has been part of the lives of practically every member of the community. These changes ensure thst future generations will carry the same personal commitment to its survival.

For energy intensive technology and manufacturing businesses, the West Contra Costa Health Equity Center is an opportunity to get in on the ground floor of the transformation of energy use in what is soon to be America's largest industry.

Attributes of carbon-neutral design

Doctors Medical Center current use of energy and waste is shown by this chart:

	2014	2013	2012	2011
Energy Costs - Gas	265,249 Therms	416,820 Therns	381,486 Therms	394,914 Therms
Average daily consumption	1,171	1,279	1,142	1,313
Costs	$ 57,595.58	$ 83,298.43	$ 78,702.54	$ 1,001,856.69
Energy Costs - Electric	6,891,918 kwh	8,396,374 kwh	8,318,138 kwh	8,406,240 kwn
Average daily consumption	23,250	23,908	24,375	23,921
Costs	$ 982,376.75	$ 1,078,638.90	$ 1,040,049.40	$ 1,063,339.62
Commercial Energy	265,249.00 usage	371,820.00 usage	No data	No data
Costs	$ 139,149.98	$ 187,783.99		
Waste Volume	1.92 tons	2.90 tons	2.72 tons	2.85 tons
Costs	$ 81,352.36	$ 118,756.63	$ 89,155.92	$ 84,25.26
Hazardous Waste		1.276 Tons	0.74 tons (1480 lbs)	
Costs				
Medical Waste				
Costs				

Reducing that cost to zero improves its ability to provide patient care.

- *The new design will incorporate solar arrays in its exterior and parking lots*
- *The proximity to the coast makes wind power viable through new inobtrusive strategies*
- *Use renewable building materials with minimal impact on the environment*
- *Offsite power participation agreements will make the hospital a net energy exporter by placing biowaste extractors among local farmers; putting additional solar arrays and wind generators at schools, public housing sites and skilled nursing facilities. The offsite network can be deployed immediately to reduce current costs.*

Removing the current use of fossil fuel by the hospital would remove more than 3200 tons of carbon dioxide and mercury from the atmosphere.

Western Electricity Coordinating Council / California

kWh per Year: 10,000,000

Clean Energy Fraction: 0 %

Pollutants	Annual Quantity	Pollutant Permit Costs	
SO2 (Tons):	2.19	$1,199	per year
NO2 (Tons):	1.16	$3,408	per year
CO2 (Tons):	3,236.07	$58,249	EU Pricing
Mercury (Tons):	.03	$1,880	per year

Incidents	Per Year	Societal Value	Direct Medical Costs
Premature Death:	0.01	$53,724	$2,379
Chronic Bronchitis:	0.01	$2,390	$610
Hospital Visit Incidents:	0.01	$94	$75
Asthma Attacks:	0.16	$10	$10
Respiratory Symptoms:	7.72	$281	$281
Work Loss Days:	1.44	$261	$243
Mercury Related:	N/A	$4,041	$4,041
Totals:	**N/A**	**$60,802**	**$7,640**
Unintended Impacts/kWh:		**0.00608**	**0.00076**

For more information please email us at eicinfo@practicegreenhealth.org or use the following contact information:

Practice Greenhealth
1901 North Moore Street, Suite 509
Arlington, VA 22209
Tel: 888-688-3332
Fax: 866-379-8705

Data sources for this calculator have been provided by the Environmental Protection Agency.

EIC calculations are estimates based on best-available, peer reviewed national and regional data. Your actual numbers and values may vary. Practice Greenhealth is not responsible for decisions or actions based wholly or in part thereon.

Unique Research Capability

For 60 years, Doctors Medical Center has served an area that has had more than 3,000 incidents of unplanned industrial emissions, the largest of which occurred in 2012. Of the 15,000 patients, 12,000 were treated by Doctors Medical Center.

Our strategy creates the West Contra Costa Historic Industrial Impact Registry by aggregating that population as a brand new resource for research. Apart from the statewide cancer registry, this Is a population with known exposure to carcinogens that can be studied logitudinally for 50 years. The cancer registry charges $6,000 per file for researchers. We are working with health care M&A specialists like Irving Levin & Associates and noted oncologists like Dr. Mack Roach, chair of radiation oncology at UC-San Francisco and Dr. Lasalle Leffall of the Howard University College of Medicine, chair of the President's advisory panel on cancer, to establish a valuation.

The case of Henrietta Lacks, who lived in a similar waterfront industrial area of Baltimore, is the root of modern bioengineering. Her cell line has achieved virtual immortality as the most widely distributed research sample in history. But none of the billions made from that line benefited her family or her community.

This registry recognizes that there are likely to be unique mutations among the local population as well as incident clusters. By insuring ownership stakes in products developed through the registry, this strategy turns environmental injustice into a strategic asset.

Like the California Institute for Regenerative Medicine in San Francisco, the in-hospital incubator is likely to generate hundreds of new jobs for the surrounding area, particularly in concert with new higher education and national laboratory research.

There would be a specific focus on energy and healthcare by creating a Center for Health Energy Efficiency to track the lifecycle of the carbon-neutral facility and behavioral sustsinability. It would launch in April with a conference at the hospital including a design competition for creating a carbon neutral replacement hospital. This conference would appeal to health care and environmental researchers and funders and be a key marketing component for voluntary offset commitments

Education

Part of achieving health equity is developing the future workforce. Venturata's ReUNION: Education-Arts-Heritage is on the forefront of culturally responsive science instruction. With its Potrero Progress project under the American Recovery and Reinvestment Act, it took 15 students from subsidized housing and in six weeks turned them into experts on stem cells. The California Institute for Regenerative Medicine hired two as interns.

Embedded is a K-12 teaching mission reduces the urban violence which drives up costs for the DMC emergency room. The only statistic shown to correlate with a reduction in murder rates is increasing the number of black males who attend college. Working in conjunction with such efforts as Healthy Richmond, we can involve students in the process of hospital design by providing free CAD software from companies like Autodesk and Siemens and measuring the causes of health disparities. Every incident of urban violence that is avoided removes as much as $1.5 million in uncompensated costs.

One motivator is learning about local achievers such as venture capitalist Erik Moore and Sega of America game developer Rob Miles.

Telemedicine

Another way to reduce environmental impact is to reduce the number of trips to the hospital, particularly for minor conditions, through creation of a telemedicine network among nearby skilled nursing facilities and elementary schools. Within four blocks of the current site are 400 skilled nursing beds in three different facilities. Districtwide, there are 1,000 skilled nursing beds.

The Georgia Partnership for Telehealth discovered, according to Health Leaders Media:

> Once it was established, (GPT CEO Paula) Guy explains, the statewide telehealth network helped young and old alike. In 2010, for instance, in rural Nashville, Ga., 44 children arrived at the emergency department with asthma-related illnesses. So, as of 2011, school-based telemedicine clinics were added to area schools and last year only one child landed in the hospital ED, she explains. Guy adds that 118 ED visits were avoided through the school-based clinics, saving an estimated $354,000. Children with chronic conditions may not get the specialty care needed, but through these clinics they can be routinely checked by specialists—ensuring better continuity of care while also helping parents avoid work absences.
>
> GPT has also placed telehealth into nursing homes. In 2011, using telehealth resulted in 160 ED visits being avoided, saving approximately $480,000 in ED cost, Guy says, "In the past, these older patients may have just called for an ambulance when they had a problem. But now patients can be seen by a

> doctor without an expensive ambulance trip to the ED. Plus they cause it for routine access to care, and by getting that they're less likely to end up in the hospital as frequently," Guy says.

In California, payors are slow to adapt telemedicine. Only federally qualified health clinic can receive reimbursement. This effort would be a demonstration to help state decision makers catch up with other states which realize the ability of this pravtice to reduce unnecessary hospital visits.

Carbon offset and naming opportunities

Delivering quality primary care with no environmental impact for generations

Join the campaign to replace Doctors Medical Center with the U.S.A.'s first carbon neutral primary care hospital and research institute.

Naming Opportunities. Hospital Superconductor.	__________ Health Equity Center Investment $25 million
Energy System Transformer	____________Health Energy Center Investment $7.5 million
Industrial Impact Maker	____________ Registry Investment $5 million
Department Catalyst	Cancer, Renal, Emergency, Obstetrics, Gerontology, Pediatrics Investment $2.5 million each
Bed Builder	75 rooms Investment $250,000 each

Action Steps West Contra Costa Health District

During our meeting with Board President Eric Zell and Interim CEO Dawn Gideon, they were very frank about the lack of response from other stakeholders to the hospital's pleas for help, even given the adverse consequences from current cutbacks.

A good analogy would be expressed in the song by the late Bobby Womack – "Nobody wants you when you're down and out."

As long as the perception is one of a downward spiral, those nos will continue.

Given the reality check from President Zell, we applied the "Zell test" to our recommendations to the governing board.

The test is two fold:

1. Does this lead to readily available general operating funds for the Doctors Medical Center?
2. Does this require extraordinary or out of character assent by other parties?

If a patient wheeled in the hospital emergency room, their treatment plan would consist of emergency steps for stabilization; treatment for underlying conditions and recovery.

By applying the Zell test, we believe the district can change the background music during each phase.

SAM & DAVE phase– Preventing the district from running out of cash in early December and for good in February (Hold On, I'm Comin')

We have introduced George E. McDaniel, founding president of Community Bank of the Bay, to analyze the hospital's $4 million short-term loan request for December until its $6 million parcel tax receipts on December 31. The county has a liability of $18 million that is an overhang, as well as the general atmospherics. He recommends a third party guarantor to make the loan doable for commercial banks, which which he is personally familiar with. Packaging and guarantee fees will add five percent to the cost of the loan. Other options include CDFIs, foundations and faith-based institutions, all of which McDaniel raised funds from for Community Bank.

ZELL TEST. Pays immediate expenses, draws on available funds. County subordination

The hospital's current energy use is an asset instead of a liability. We encourage the board to direct staff to make DMC carbon neutral by purchasing its electricity from renewable sources. Public and commercial sources are available to provide 8-10 MW of power. With this action, the hospital can apply to WREGIS, the Western regional clearinghouse, for Renewable Energy Certificates equivalent to 30 MW through forward sale for three years. At current rates of spending, that can yield $4-6 million by sale on carbon exchanges

ZELL TEST. Available for immediate expenses. Extends operations through spring. No approvals needed by other stakeholders.

Although the commitments would not require upfront spending, the hospital will still need to purchase the power. Leveraging its greatest asset, the people of West Contra Costa County, the hospital can launch a crowd-funding campaign to buy the first-year of renewable power at $1.5 million. Requests can go out through the faith-based institutions, unions, employers and business groups. Tech wizards who are Contra Costa County natives like Erik Moore, John Jenkins and Rob Miles can craft and promote the campaign. This could also help the process of achieving short-term financing by showing community support.

ZELL TEST. Available for immediate expenses. Extends operations. No approvals needed by other stakeholders. Scalable to raise additional funds for succeeding years and zero waste objective.

The Health Equity Center concept is designed to position the hospital for additional funding streams geared to its population. We recommend that the board direct staff to apply for the Nov. 19 solicitation from the Health Resources and Services Administration geared to health institutions serving low-income populations. The historical industrial impact registry, telemedicine and other behavioral programs can be implemented in the current facility. Not onl does the unique attributes of the population become a plus, but the impact of thes steps would reduce hospital visits and expenses. We recommend engaging othet stakeholders to participate in the application like the UC Berkeley School of Public Healh.

ZELL TEST. No immediate impact on revenues. Turns patient population into an asset instead of a liability for potential supporters. Also creates a template for drawing foundation support.

TRAMAINE HAWKINS phase-- Restoring full service operations during this fiscal year (If you want to know, where I'm going soon)

The centerpiece of the Health Equity Center plan is the replacement of Doctors Medical Center with a carbon-neutral, zero energy facility to reduce hospital visits by maintaining and promoting the health of the quarter-million residents of West Contra Costa County. We recommend that the board direct staff to bring back a plan for such a facility within 60 days. Approval of such a plan would allow the marketing of voluntary carbon offsets for construction and an additional 10 MW of renewable generating capacity. The plan would be the centerpiece of an April conference on health care energy efficiency. Invited presenters would come from CPUC, utilities, California Energy Commission, foundations, Lawrence Berkeley National Laboratory and Sacramento district, U.S. Army Corps of Engineers. Moving forward generates forward income which can be leveraged for lines of credit. Once $10 million of the $60 million goal is achieved, prudent stewardship would borrow through lines of credit against half that amount.

ZELL TEST. Likely $5 million line of credit in this fiscal year; as much as $25 million in following fiscal year. No outside approvals needed

Each department of the hospital has a constituency of patients and providers who have significant emotional ties. In the renewal phase, campaigns to raise a minimum endowment of $2 million for each department can commence. In Los Angeles, six elderly women bought a CAT Scan for their doctor on Crenshaw so they could have ready access to the technology. Legacy bequest through life insurance cam be promoted to patients and financial planners.

ZELL TEST. $5-10 million in next fiscal year. No outside approvals needed

Achieving zero waste is also an asset rather than a expense. CalRecycle provides up to $2 million in loans for equipment, working capital and design of waste to energy facilities

ZELL TEST. Reduction of $1 million in waste costs. Loan approval. CalRecycle

In California, insurers have not begin reimbursing telemedicine. Only federally qualified health clinics can get reimbursement. Pending changes, which have already occurred in other states, DMC can partner with such a provider as a subcontractor to provide telemedicine to nearby skilled nursing facilities and elementary schools.

ZELL TEST. Combined reduction in cost from fewer visits and new fees of $1 million

Lyn Collins phase -- Long term self-sufficiency.("We can do better by ourselves. So from now on, we gonna use what we got to get what we want.")

Historical Industrial Impact Registry. After funding from federal, foundation sources, the registry can generate an average of $5 million yearly in fees.

ZELL TEST. Prospective, but proprietary. Requires funding from government, philanthropic sources

Additional fee income. Doubling the percentage of private insurance patients through such initiatives as day care, incubator, farmers market, in school educational services

ZELL TEST. Prospective, but reasonable best practices. Limited startup funding required

Improved efficiency with state of art facility. The Health Equity Center would replace a facility built before most of the current practices in modern medicine. In addition to energy and waste savings, the design should incorporate current knowledge on utilization of space, flexibility and ergonomics.

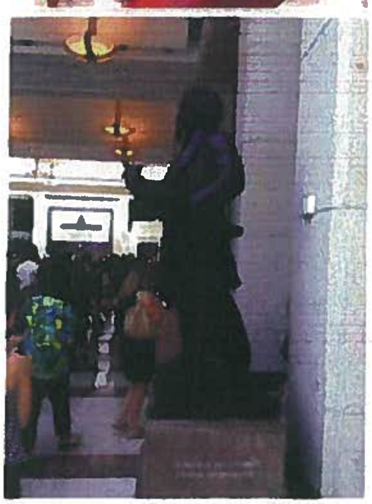
ZELL TEST. Some construction will occur by 2020. Contingent on final financing plan for new hospital.

A facility serving such a diverse population should have an endowment commensurate with its yearly operating budget of $150 million. By becoming the icon for the carbon-neutral hospital of the future, the West Contra Costa Health District can attract the major philanthropists and every day citizens who believe in its mission.

ZELL TEST. The patient is cured and has the ability to act for best welfare of its citizens.

New construction in Upland, Ventura and Chico demonstrates the viability of seismically-safe small hospitals.

Way forward for West Contra Costa County



We can grow health care in West County

The Doctors Medical Center Closure Aversion Committee believes every young person in Richmond, San Pablo, Hercules, Rodeo, El Sobrante, El Cerrito, Pinole, Crockett and the rest of the health district deserves a chance to grow up healthy and happy.

The area will experience its greatest growth since World War II because of overall regional growth and specific projects like UC-Berkeley's Richmond Bay campus.

We envision a public-private partnership expanding its research mission to address Native American, environmental and emergency response studies and creating alliances with other health providers for geriatric and veterans care. This effort would include a capital campaign, along with development of a new campus including commercial buildings to meet the demand for R&D and offices.

Increasing the revenue base will help keep emergency services available within five to ten minutes for 250,000 residents of West Contra Costa County who are near the state's largest concentration of pollution sources. It also prevents traffic congestion and lost productivity from sending ambulances in a 25 mile radius in every direction.

In Richmond, 25 per cent of young people have asthma. A difference of 15 to 45 minutes in reaching an emergency room could be catastrophic. Join DMCCAC in this long-term vision for meeting the expanding demand.

West Contra Costa's can-do spirit is exemplified by Rosie the Riveter. They didn't give up. We can't give up on those shipyard workers needing care.

The Way Forward is a program roadmap developed by **Doctors Medical Center Closure Aversion Committee (DCAC)** as a go-forward platform to redefine and revitalize the role of Doctors Medical Center in serving the 250,000 residents of West Contra Costa County. The platform is multi-tiered, building on **DMC**'s practice of providing industry-standard comprehensive health care for very diverse West County communities and residents, but especially the poor, the indigent, and the many senior citizens who make up West County.

Building on **DMC**'s baseline of success as the principal Healthcare Services Provider in West Contra Costa County, The Way Forward leverages the historical practices, local and regional relationships, and national resources of **DMC**'s leadership, and the support of The Way Forward Team developed by DCAC to drive the reorganization and expansion of **DMC** as a 21st Century Center of Excellence in providing cutting edge healthcare industry services, R&D, education, and community healthcare program solutions.

Doctors Medical Center Closure Aversion Committee (DCAC) is a collaborating partnership made up of the diverse staff of **DMC**, West County community leaders, business owners, contract consultants, and volunteers.

The Way Forward

Strategy Development Team

John Templeton	**Sammuel Washington**
William Kalogeros	A. B. Anderson
John Jenkins	Paul Cobb

Doctors Medical Center Value-Proposition:

A. Doctors Medical Center was founded by a vote of the West County Community in 1948 in creating a public health services agency to meet the health needs of the region's residents.

B. Doctors Medical Center is the ONLY full service Medical and Health Care Services Provider serving West Contra Costa County.

C. Doctors Medical Center has the only full service Emergency Room and the only Medical Heliport in West Contra Costa County.

D. Doctors Medical Center is centrally located at the nexus of one of the highest traffic congestion zones in the U.S., also confirming **DMC** as a critical location in addressing traffic related emergency services. **DMC** is also in close proximity to all general public transportation platforms.

E. In 2013, Doctors Medical Center served over 55,000 West County residents, more than half of them Senior Citizens in addition to majority indigent and MediCal recipients.

F. Doctors Medical Center's per-patient care cost is well below the average for Northern California and is the lowest of all California San Francisco Bay Area hospitals.

G. Doctors Medical Center actively serves as the coordinating center for industrial and environmental emergencies West Contra Costa County, and is located within residential communities impacted by both historical and modern day industrial pollution and environmental damage. These are high-risk service communities which surround very large industrial-chemical production operations and are located in or very near Superfund Sites and EPA Registered Environmental Impact zones.

H. In 2012 Doctors Medical Center served as principal coordinating center for the 12,000 to 15,000 people affected by the Chevron Refinery Chemical Emission, a single industrial accident which affected residents across the region.

I. In 1997 Doctors Medical Center successfully served thousands of Kaiser Permanente patients for all purposes due to an employee strike that crippled operations of the Kaiser Permanente Richmond Facility.

J. Doctors Medical Center serves as the principal Medical and Emergency Services Center for Residential and Rehabilitation Programs in West Contra Costa County.

K. Doctors Medical Center employs approximately 1000 staff and generates approximately $100 Million in annual revenue, most of which supports businesses and organizations in West Contra Costa County.

Doctors Medical Center Liabilities:

A. Doctors Medical Center, as the ONLY Public Health Care Provider in West Contra Costa County, serves a client-base composed primarily of Senior Citizens, MediCal recipients, the working poor, and the indigent.

B. Doctors Medical Center facilities do not meet state mandated seismic retrofit requirements. The existing site must undergo full retrofit modifications or must be closed by 2020.

C. Doctors Medical Center is located on property which is actively sought by the Lytton Rancheria of California Native American Tribe, owner-operators of Casino San Pablo. The tribal Council is seeking to expand Casino San Pablo into a full-scale hotel, Casino, and entertainment complex.

D. To date no government or commercial entity has developed or proposed a plan for the continued operation of Doctors Medical Center under its current operations platform and service structure.

E. Local, County, and State subsidies and support funding for Doctors Medical Center total approximately $20 Million annually.

F. Despite historical ongoing government and private partner support to Doctors Medical Center (including Kaiser Permanente), **DMC** struggles with growing annual operating deficits of approximately $18 million.

The Quick Analysis Of The Absence (Closure) Of Doctors Medical Center:

Note: To date NO PLAN has been presented, proposed, or developed by any state or public agency to replace the majority of services provided by Doctors Medical Center, nor has a plan been developed or proposed that supports provision of basic medical or healthcare services for West Contra Costa County residents in the absence of **DMC** – short or long term.

1. In the absence of Doctors Medical Center, no coordinating emergency services center will exist for a population area of 250,000 residents that surrounds very large chemical and industrial operations which have experienced 1300 industrial accidents and hazardous releases since 2004.

2. There will be no full-service Health Care Provider In West Contra Costa County.

3. There will be no Public Healthcare Service Provider in West Contra Costa County.

4. A minimum of 55,000 West Contra Costa County residents will be required to seek 'alternative means' of addressing their healthcare challenges. The majority will be required to travel 30-40 minutes either to Alameda County or to the nearest Contra Costa County healthcare facility in Martinez to address critical or chronic healthcare challenges. Studies confirm that the absence of affordable and physically accessible healthcare are principal in the reduced quantity and quality of life for the poor and indigent, as well as people of color in majority. The absence of Doctors Medical Center will eliminate both service components.

5. Kaiser Permanente, having already given public officials notice that its limited hospital and emergency services operations in Contra Costa County are being overwhelmed in just providing emergency patient care, will be pressured to do more to support what will become a West County healthcare crisis. A bill from Kaiser Permanente for public health services support based on the companies general patient services costs (higher than those of **DMC**) will be the eventual result.

6. Alameda County Health Services, currently receiving the bulk of emergency and patient care referrals from Doctors Medical Center will also demand matching compensation from Contra Costa County in treating literally thousands of West Contra Costa County poor, indigent, and Medi-Cal patients.

7. Other private healthcare providers in the East Bay, including smaller hospitals and urgentcare centers will also bill Contra Costa County for services provided to indigent residents who are served through emergency and non-emergency medical treatment.

8. The costs and expenses for Emergency Medical Services transportation over increasingly greater distances will rise substantially for the Contra Costa County as well as the poor and indigent who would be forced to utilize those services.

9. The absence of Doctors Medical Center (or a replacement provider) will result in exodus of residential and rehabilitation care providers from West Contra Costa County.

10. Short-term unemployment will rise sharply in San Pablo resulting directly and indirectly from closure of Doctors Medical Center.

11. Valuable historical PHI and professional service-related knowledge, experience, and PHI data relative to management and support of health emergencies resulting from industrial accidents, hazards, and releases will be eliminated.

12. Ready medical and health services support for traffic-related health emergencies will be sharply reduced for users of both Interstate 80 and Interstate 580, as well as west Highway 4 and other high traffic zones in West Contra Costa County.

13. Contra Costa County, The Joint Powers Authority, and The West Contra Costa County Healthcare District will be enjoined in healthcare related litigation following arguably preventable deaths and irreparable physical damage claims resulting from absence of a viable emergency and general medical services program in replacement of **DMC**.

14. West Contra County residential property values will experience mild reductions due to absence of any major medical services provider in West County.

15. The land formerly occupied by Doctors Medical Center will be purchased by the Lytton Rancheria Of Californa Tribe, which will expand Casino San Pablo as a gaming and resort entertainment venue by mid 2016.

For The Record: The very first item in this Quick Analysis should alone be a cause of grave concern for Contra Costa County Officials, Community and Business Leaders, and Residents of Contra Costa County as a whole, but especially the Residents of West County. A major industrial, chemical, or natural disaster emergency in West County potentially becomes a horrific catastrophe in the absence of a Full-Service Medical Facility on the scale of Doctors Medical Center providing ready services in the area.

An industrial, chemical, environmental, or even natural disaster event in which even a few lives are lost due to limited emergency facilities access and/or limited emergency transport capabilities would become a combined nightmarish conflagration of historical, legal, regulatory, financial, and public relations confusion. The BP Gulf incident could be lost to memory by comparison. Industrial and Chemical companies involved (including those not directly involved but are operating in the region), politicians on all levels from local to national, and the geographic region itself would likely suffer from the constant rehearsing of such an event.

West Contra Costa County's population of 250,000 people has experienced over 1300 industrial and chemical incidents in the past 10 years (according to the California Air Resources Board), the most recent incident requiring the treatment of over 12,000 residents. The San Francisco Bay area is experiencing continued growth economically and numerically, with housing and land redevelopment being principal issues all over the region. Developing regional healthcare services plans and proposals such as **'a standing emergency room'** in replacement of a center which treats 55,000 plus residents in any non-incident year reflects absolute blind ignorance at best and callous negligence at worst. Whichever is the problem, having no plan to maintain, restructure, or quickly replace Doctors Medical Center is the equivalent of rolling a pair of loaded dice with the lives of hundreds – and possibly thousands – of people at risk.

The Doctors Medical Center Closure Avoidance Committee (DCAC) is taking an aggressive approach to pursuing solutions that hopefully will address the concerns of all parties involved – and protect the lives and futures of West County everyone in West Contra Costa County.

The Way Forward For Doctors Medical Center:

The Way Forward Plan serves as the general platform for all stakeholders in the future of Doctors Medical Center to support and benefit from the revitalization and reorganization of the future of **DMC**. **The Way Forward** is a Four stage platform:

1. **Temporary Financing and Stabilization of Doctors Medical Center Operations.**

Acquisition and utilization of 3 to 6 months minimum operating support is necessary as a stop-gap to continue the full operation of **DMC** while Stages 2, 3, and 4 are pursued simultaneously and aggressively.

2. **Restructuring Of Doctors Medical Center Leadership and Operating Management.**

DMC will be reorganized to operate under a ***New Public Health Services Foundation Parent*** through which a range of public interest and community-based programs would be structured, initiated, managed, and funded.

3. **Implementation of A Capital Campaign Fundraising Drive.**

Under the ***New Public Health Foundation whose principal effort and focus will be construction and activation of a new and modern*** Doctors Medical Center to be managed in continued partnership with Contra Costa County. This foundation would work with government, commercial, and community stakeholders to plan the rapid rebuild of the new **DMC**. Several potential partners have already proposed new locations including within the Cities of Richmond and San Pablo.

4. **Development & Coordination of Health Services Contract & Partnerships.**

a. Veterans Health Services Center for West Contra Costa County and Northwest Alameda County under contract to the Veterans Administration.

b. Medical Training and Tutoring Program in partnership with Touro University

c. Industrial Environmental Impact Research and PHI Registry Center in partnership with the U.C. System, USF, and other institutions that can utilize 65 years of PHI data from thousands of residents who live and work in immediate proximity to major industrial and chemical production operations.

The mechanism after having a consultant design the registry would be for the health district to take bids for a registry manager in the same fashion that the federal govt takes bids to operate national labs. In addition to a yearly fee, the successful bidder would have to pay a portion of revenues from trials and other activities. Pharmaceutical companies, particularly those making cancer drugs, would make charitable donations for the registry, and the registry could be used as an asset for revenue bonds or for securitization.

d. Comprehensive Native American Regional Healthcare Services and Support Coordination Center.

e. Contract Health Services Provider and Regional Emergency Services Management Partner with Residential and Rehabilitation Providers.

New Public Health Foundation

The Way Forward Value-Add For Doctors Medical Center:

1. Hospital construction contractors who specialize in building small-to-medium sized medical facilities in 6-9 months, have stated they are prepared to begin negotiations once a suitable property location has been agreed upon and confirmed.

2. The current **DMC** facility could be closed and the new facility opened and operating in less than a year time-span.

3. The cost of the new **DMC** operating facility would be approx. $200 Million, and would be paid for through a combination property sale, partnerships, grants, endowments and donor support.

4. The owner-operators of Casino San Pablo would be allowed early access to the **DMC** property to begin physical and architectural planning for the expanded entertainment center. They would also start zoning and business negotiations toward building a facility that would essentially triple revenue for the City of San Pablo and result in a general explosion of new businesses and service operations in West County.

5. Working in partnership with County, State, Business and Community Leaders collectively, the large majority of services offerings provided by Doctors Medical Center now, including an on-site Heliport for critical emergency transport, would also be made available in the modern facility.

6. The additional services and programs offered and provided under the Foundation would assure **DMC** of being fully funded as part of a larger non-profit contract services operation.

7. Residential Care and Rehabilitation Providers will expand in promoting new hospital services and access to their clients

8. East Bay Veterans gain additional healthcare and social services support through implementation of VA partnership agreement.

9. **The Historical Industrial Impact Healthcare Registry** is utilized in research efforts as a model for other institutions nationally and internationally.

10. The Native American Community gains a centrally located Health Services and Support Center that includes a 21st Century General Medical Services Center.

11. **DMC** gains a cadre of medical professionals in training who will also provide patient care, and Touro University can offer its students an opportunity to serve in a comprehensive medical services environment that features modern equipment and facilities.

12. West Contra Costa County Residents gain a new, more modern, more comprehensive Medical Services Provider, and much more.

Doctors Medical Center

A Board of Directors 5 Year Operating Plan

MANY CREATIVE FINANCIAL SOLUTIONS HAVE KEPT DMC OPEN……

- 2006-2010:
  - Filed bankruptcy
  - Secured $10 million tax advance from the County, and $10 million matching support from the Federal government
  - Reduced operating loss from $35 million to $17 million
  - Secured $51 million, 3 year bridge funding from the State, Kaiser and John Muir
  - Eliminated approximately $10 million in liability through bankruptcy process – emerged from bankruptcy in 2008

CREATIVE FINANCIAL SOLUTIONS.....(CONTINUED)

- 2011:
  - Secured additional $10 million County tax advance
  - Secured additional $4.1 million Kaiser support
  - Developed line-of-credit to provide ongoing support
  - Initiated Regional Planning initiative to explore options for continued support of DMC as a full service hospital, and to evaluate options for a "legacy plan" in the event of closure
  - Negotiated with vendors to achieve a $1.2 million reduction in outstanding accounts payable
  - Voters passed a second $5M/year parcel tax (Measure J)
  - Secured $40 million in long-term debt financing to support operations
  - Met frequently with elected officials and Medi-Cal officials seeking support and increases in our Medi-Cal rate (not successful)

CREATIVE FINANCIAL SOLUTIONS...... (CONTINUED)

- 2012-2013:
  - Completed a strategic plan with the assistance of the Camden Group - that plan concluded that DMC needed a partner for long-term sustainability
  - Initiated the partnership search, reaching out to dozens of local, state and national providers and investment groups including UCSF, Stanford, Dignity Health, Sutter, Kaiser and many more
  - Secured an additional tax advance of $9 million from the County
  - Renegotiated better rates with insurance companies
  - Improved billing and collection practices

creative financial solutions...... (continued)

- 2012 - 2013 (continued)
  - Streamlined staffing making DMC one of the most efficient hospitals in the Bay Area
  - Reduced management staffing, saving nearly $600,000 annually
  - Renegotiated physician contracts, saving $1million annually
  - Renegotiated vendor supply costs
  - Made significant changes in the health benefits structure for non-represented staff
  - Sought out skilled nursing/rehab service providers to rent excess inpatient space (not successful)

And this year the efforts to find both a more sustainable model and additional financial support has been accelerated. In 2014 we have....

- Pursued additional tax revenue – both parcel tax within the District, and sales tax county-wide (not successful)
- Worked with elected officials in an effort to achieve designation as a "public hospital" to receive increased Medi-Cal reimbursement (not successful)
- Successfully worked with elected officials to receive $3 million state appropriation – SB 883 Assembly member Skinner legislation
- Secured an additional tax advance from the County ($6 million)
- Negotiated a lease agreement with the Lytton Band of Pomo Indians to receive $4.6 million, upfront, for use of DMC parking
- Worked with Congressman Miller's office to develop potential partnership with VA system (not successful)

In 2014 we have.... (continued)

- Met with the CA Endowment, the San Francisco Foundation and others to seek foundation funding (not successful)
- Worked with Touro University and pursued other potential partners, investors and hospital operators
- Retained a broker to market district assets
- Re-engaged Regional Planning Initiative
- Reduced services and expenses in an effort to reduce costs
  - Closed Towne Center
  - Moved to diversion in the Emergency Department
  - Reduced staff
  - Terminated Sodexo Contract for management of housekeeping, dietary and maintenance
  - Eliminated self-insured employee health benefit plan
  - Successfully negotiated with Local 1 for benefit changes

Retaining Our Full Service Hospital Through Shared Community Commitment

5 years – 8 Requirements

- New parcel tax ($5.0–$8.0 million)
- County repayment forgiveness ($3 million)
- Debt support by other health care systems ($3.0 – $4.3 million)
- Reinvigorated DMC Foundation ($0.5–$1.5 million)
- Continuing operating efficiencies ($3.0 – $5.0 million)
- Employee Savings ($4.5–$7.0 million)
- Richmond Community Benefit reallocation ($15 million)
- Training program/residency partnership (up to $0.5 million)

Projected Cash Flow Impact of Plan Initiatives (in thousands)

	2015 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual
Cash Received:					
Patient and Related Cash	93,688	111,190	113,602.33	115,531	117,451
Parcel Tax Funds	10,900	10,900	10,900	10,900	10,900
Ad Valorum Tax Funds	2,900	2,900	2,900	2,900	2,900
Baseline Cash Received	107,488	124,990	127,402	129,331	131,251
Cash Spent:					
Total Operating Expenses and Capital	137,514	139,445	139,032	140,697	142,951
COP Payments	4,370	4,370	4,370	4,370	4,370
County Debt Payments	2,900	2,900	2,900	2,900	2,900
Baseline Cash Spent before Initiatives	144,784	149,465	148,752	150,217	152,471
Cash Flow - Baseline before Initiatives	(37,297)	(24,475)	(21,350)	(20,885)	(21,219)
County Debt Forgiveness	3,000	3,000	3,000	3,000	3,000
Forgiveness of Long Term Debt	4,370	4,370	4,370	4,370	4,370
New Parcel Tax	3,100	5,800	5,800	5,800	5,800
Foundation Fund raising	1,500	500	500	500	500
Residency Program	-	-	500	500	500
Employee Savings	6,600	5,800	5,200	5,200	5,200
Continued Operating Efficiencies	1,800	4,900	3,300	3,400	3,500
Richmond Community Benefit		5,000	5,000	5,000	
Net Impact of Initiatives	20,370	29,370	27,670	27,770	22,870
Cash Flow After Initiatives	**(16,927)**	**4,895**	**6,320**	**6,885**	**1,651**

*Projected savings – exact final numbers may change

5-Year Plan Assumptions

- Utilizes the **helpful input of many constituent groups**: DCAC, Way Forward, medical staff, employees, unions.

- **2015 is a re-building year**:
  - will take until April to return to "full service" and restored capacity;
  - investments in recruitment and training;
  - capital investments for meaningful use/information technology and basic equipment;
  - Investment for begin of new hospital design

- Successful implementation of the "5 by 8" plan (e.g. new parcel tax payments will not begin until December). **All 8 requirements must succeed for plan to work**

- **Will require $11 million in additional financial support in 2015** (there is negative cash flow of $17 million for the year, but we start the year with available funds. Net need is $11 million, assuming all initiatives are implemented).

- Exploring options for **sale/lease back of property to fund 2015 deficient**

Next Steps…

- Immediately conduct a Public Opinion Survey to assess the amount voters will support. Place on ballot in May or June 2015.

- Work with County Board of Supervisors to secure forgiveness of County advance in December.

- Set up working group with Health Systems to pursue debt reduction.

Next Steps...

- Create a new Foundation Board, including DCAC, Way Forward, community, foundation and private sector representatives (to reinvigorate Foundation)

- Negotiations with employee groups regarding employee savings

- Work with City of Richmond on $15 million Community Benefit reallocation.

Next Steps…

- Establish medical staff lead workgroup to work with Touro University, UCSF, Stanford and others for research and teaching opportunities.
- Pursue strategies to fund 2015 deficit, including sale of assets.
- Establish "new hospital" work group to develop plan for construction and financing of new facility.

We must fight TOGETHER as a community to keep DMC open!

MEDICAL STAFF COMMITTEE RECOMMENDATIONS	DATE
CREDENTIALS COMMITTEE	July 23, 2014
MEDICAL EXECUTIVE COMMITTEE	August 11, 2014
BOARD OF DIRECTORS APPROVAL	

DOCTORS MEDICAL CENTER
CREDENTIALS REPORT
JULY 2014

INITIAL APPOINTMENTS

The following practitioners have applied for membership and/or clinical privileges at DOCTORS MEDICAL CENTER. This summary includes factors that determine status of membership, licensure, professional liability insurance, required certifications (if applicable), etc. Factors that determine current competence include medical/professional education, training (internship/residencies/fellowship) and experience, board certification (if applicable), current and previous hospital and other institutional affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action.

NAME	DEPARTMENT/SPECIALTY	CATEGORY	APPOINTMENT TERM	RECOMMENDATION
Wagle, Rohan, MD	Med/Family Practice/Cardiology	Provisional	08/20/14 – 08/19/16	Approval
Villanueva, Juanito, MD	Med/Family Practice/Radiology	Provisional	08/20/14 – 08/19/16	Approval

REAPPOINTMENTS

The following practitioners have applied for reappointment to the Medical Staff. This summary includes factors that determine membership; licensure, DEA, professional liability insurance, required certifications (if applicable), etc. Qualitative/quantitative factor, developed through on-going professional performance evaluation, include peer review, quality performance, clinical activity, privileges, competence, technical skills, behavior, health, medical records, blood review, medication usage, litigation history, utilization and continuity of care. ***Membership requirements are met, unless specified below.***

NAME	DEPARTMENT/SPECIALTY	CATEGORY	REAPPOINTMENT TERM	RECOMMENDATION
Afsari, Khosrow, MD	Med/Family Practice/Internal Medicine	Active	09/21/14 – 05/31/16	Approval
Quang, Angela, MD	Med/Family Practice/Internal Medicine	Active	09/21/14 – 05/31/16	Approval
Sankary, Richard, MD	Med/Family Practice/Pulmonary Medicine	Active	09/23/14 – 06/30/16	Approval
Banks, Norman, MD	Med/Family Practice/Family Practice	Affiliate Active	09/23/14 – 06/30/16	Approval
Cecchi, Gary, MD	Med/Family Practice/Medical Oncology	Courtesy	09/23/14 – 06/30/16	Approval
Corona, Mario, MD	Med/Family Practice/Nephrology	Courtesy	09/23/14 – 06/30/16	Approval
Irwin, David, MD	Med/Family Practice/Medical Oncology	Active	09/23/14 – 06/30/16	Approval
Maher, Terry, MD	Med/Family Practice/Nephrology	Courtesy	09/23/14 – 06/30/16	Approval

Patel, Swati, MD	Med/Family Practice/ Nephrology	Courtesy	09/23/14 – 07/31/16	Approval
Tebben, Josie, MD	Med/Family Practice/ Nephrology	Courtesy	09/23/14 – 07/31/16	Approval
Wong, Samuel, DO	Med/Family Practice/ Nephrology	Active	09/23/14 – 07/31/16	Approval
Barry, Peter, MD	Surgery/Orthopedic	Active	09/23/14 – 06/30/16	Approval
Tanaka, Ted, DPM	Surgery/Podiatry	Active	09/23/14 – 06/30/16	Approval
Win, Khaing Soe, MD	Surgery/Pathology	Active	09/23/14 – 07/31/16	Approval

VOLUNTARY RESIGNATIONS

NAME	***DEPARTMENT/SPECIALTY***	***EFFECTIVE DATES***
Gondi Neelima, MD	Med/Family Practice/ Internal Medicine	5/16/14
Hauck, Brian, MD	Med/Family Practice/ Gastroenterology	7/31/14

MEDICAL STAFF COMMITTEE RECOMMENDATIONS	DATE
CREDENTIALS COMMITTEE	August 28, 2014
MEDICAL EXECUTIVE COMMITTEE	September 15, 2014
BOARD OF DIRECTORS APPROVAL	

DOCTORS MEDICAL CENTER
CREDENTIALS REPORT
AUGUST 2014

INITIAL APPOINTMENTS

The following practitioners have applied for membership and/or clinical privileges at DOCTORS MEDICAL CENTER. This summary includes factors that determine status of membership, licensure, professional liability insurance, required certifications (if applicable), etc. Factors that determine current competence include medical/professional education, training (internship/residencies/fellowship) and experience, board certification (if applicable), current and previous hospital and other institutional affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action.

NAME	DEPARTMENT/SPECIALTY	CATEGORY	APPOINTMENT TERM	RECOMMENDATION
Kahn, Joel, MD	Med/Family Practice/Emergency Medicine	Provisional	09/24/2014 – 09/23/2016	Approval
Marshall, Natalie, MD	Med/Family Practice/Medical Oncology	Provisional	09/24/2014 – 09/23/2016	Approval
Santoli, Frank, MD	Med/Family Practice/Medical Oncology	Provisional	09/24/2014 – 09/23/2016	Approval
Melnyk, Ostap, MD	Med/Family Practice/Medical Oncology	Provisional	09/24/2014 – 09/23/2016	Approval

REAPPOINTMENTS

The following practitioners have applied for reappointment to the Medical Staff. This summary includes factors that determine membership; licensure, DEA, professional liability insurance, required certifications (if applicable), etc. Qualitative/quantitative factor, developed through on-going professional performance evaluation, include peer review, quality performance, clinical activity, privileges, competence, technical skills, behavior, health, medical records, blood review, medication usage, litigation history, utilization and continuity of care. ***Membership requirements are met, unless specified below.***

NAME	DEPARTMENT/SPECIALTY	CATEGORY	REAPPOINTMENT TERM	RECOMMENDATION
Golden, Donald	Med/Family Practice/Internal Medicine	Active	10/21/14 – 08/31/16	Approval
Khakmahd, Oliver, MD	Med/Family Practice/Nephrology	Courtesy	10/21/14 – 08/31/16	Approval
Majid, Abid, MD	Med/Family Practice/Pulmonary Medicine	Active	10/21/14 – 08/31/16	Approval
Shah, Saket, MD	Med/Family Practice/Family Practice	Courtesy	10/21/14 – 08/31/16	Approval
Gomez, Robert, MD	Surgery/Orthopedic	Courtesy	10/21/14 – 08/31/16	Approval
Ryan, Paul H., MD	Surgery/Ophthalmology	Active	10/21/14 – 08/31/16	Approval

DOCTORS
MEDICAL CENTER

TRANSACTION SUMMARY
PHYSICIAN TRANSACTIONS AND ARRANGEMENTS

CALIFORNIA EMERGENCY PHYSICIANS MEDICAL GROUP (CEP)
Contract Effective November 14, 2014

A. Parties

- Identify the physician/group and indicate the specialty/practice area and administrative expertise.

  California Emergency Physicians Medical Group (CEP) for the provision of 24/7 emergency medical services by physicians and physician assistants.

- Will the arrangement be with the physician as an individual, or with his/her group?

  The arrangement is with a group/corporation

B. Purpose/Reasons to Pursue the Arrangement

- Describe how the arrangement meets a community need.

  The arrangement provides emergency and inpatient consult and procedure coverage on a 24 hour/7 day basis to meet the needs of the community.

- Indicate whether the arrangement is new or is a renewal of an existing arrangement.

  The arrangement is for the renewal of an existing arrangement. Terms have changed from the existing contract: On July 15, 2014, CEP served notice of termination of their contract effective November 13, 2014. A contract amendment is necessary for the continuation of services in the emergency department. In addition, with the reduction of volume, and the diversion of ambulance traffic, CEP is no longer able to generate the level of profession fee billing necessary to retain qualified physicians and practitioners to provide

coverage. Therefore, the amendment also includes a monthly stipend to supplement their income reduction.

C. **Services to be Provided**

- Describe the services to be provided by the physician/group.

CEP will provide 24/7 emergency physician and physician assistant coverage to the DMC emergency department.

- Describe the time commitment of physician/group (e.g., FTE, part-time, # of hours)

At least 1 provider 24/7, with increased coverage as needed.

- Describe how the services actually provided will be tracked and documented by hospital management.

DMC administration receives and reviews monthly E.D. staffing schedules.

D. **Financial Terms**

- Describe the compensation methodology (hourly fee, monthly or annual salary, etc.). Indicate the aggregate compensation to be paid.

Compensation is monthly totaling $100,000 monthly, $1.2 million annualized.

- Describe any other benefits payable to, or provided to (space, services, equipment, etc.), the physician.

None

- Describe the methodology for determining that the financial terms meet Fair Market Value requirements.

The Governing Body approved MD Ranger report was used to determine Fair Market Value.

E. **Other Terms**

- Indicate whether the arrangement will be structured as an employment or independent contractor relationship.

Independent Contract relationship

- Indicate the term of the arrangement (dates) and describe the termination provisions.

The arrangement is effective November 14, 2014 with a one year term. A one year term is the minimum legally required term since an existing contracted was terminated and this amendment serves as the replacement contract.

- Indicate insurance coverage arrangements.

CEP, at its sole cost and expense, shall procure and maintain throughout the entire term of this Agreement, professional liability insurance coverage for services rendered by CEP in the minimum amount of one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) in the annual aggregate. CEP shall provide Hospital with certificates of insurance evidencing the insurance coverage required under this Section at the time this Agreement is executed. Such insurance policy or policies shall also provide for not less than thirty (30) days notice to Hospital of any cancellation, reduction, or other material change in the amount of scope of any

F. <u>Business and Financial Risk</u>

- Identify any specific business and financial risks of the arrangement.

None identified

- Identify any conflicts of interest that have been identified through application of the Conflict of Interest Policy.

None identified

G. <u>Special Terms</u>

- List any special requests or conditions proposed by the physician.

None

Recommended for Approval:

Dawn M. Gideon

Chief Executive Officer
Doctors' Medical Center – San Pablo

Dated: October 29, 2014

Attachment: Fair Market Value analysis

Fair Market Value Analysis

California Emergency Physicians Medical Group (CEP)

Services Contract

Date completed: October 28, 2014

Contract Payment Terms: $100,000 monthly ($1.2 million annual) compensation effective November 14, 2014.

Comparison Information Source: MDRanger Compensation Survey

Findings:

Compensation as outlined does not exceed Fair Market Value

Emergency Coverage - Per Visit Annual Total (assuming 29,000 annual visits)	50%	75%	90%
All Hospitals	$ 222,140	$ 933,800	$ 2,392,500
Urban Hospitals	$ 154,860	$ 452,400	$ 1,655,900
<150 Bed Hospitals	$ 484,300	$ 1,209,300	$ 2,598,400
Non-Trauma	$ 321,900	$ 1,171,600	$ 2,531,700
Medical Director - Annual			
All Hospitals	$ 54,000	$ 98,400	$ 153,000
Urban Hospitals	$ 54,000	$ 98,400	$ 150,000
<150 Bed Hospitals	$ 52,800	$ 96,000	$ 117,000
Non-Trauma	$ 50,400	$ 65,500	$ 109,000

THIRD AMENDMENT TO HOSPITAL EMERGENCY DEPARTMENT AGREEMENT

This third amendment to the Hospital Emergency Department Agreement (this "Amendment No. 3") is made effective November _______, 2014 (the "Effective Date") by and between Doctor's Medical Center – San Pablo, a political subdivision of the State of California, ("Hospital") and California Emergency Physicians Medical Group ("CEP").

RECITALS

WHEREAS, Hospital and CEP are parties to that certain Emergency Department Agreement entered into on April 1, 2012 and amended on May 1, 2013 and June 1, 2013 (collectively, the "Agreement"); and

WHEREAS, CEP, in a letter dated July 15, 2014, has provided Hospital with notice of CEP's intent to terminate the Agreement as of November 13, 2014 at 11:59 PM;

WHEREAS, CEP desires to rescind its notice of intent to terminate the Agreement and continue to provide services under the Agreement, as revised under the terms set forth in this Amendment;

WHEREAS, the parties desire to amend the Agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the recitals, the mutual promises and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the provisions set forth below.

AGREEMENT

1. Defined Terms. All capitalized terms, not otherwise defined herein, will have the meanings given to such terms in the Agreement.

2. Section 5.4.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

> "Beginning on November 14, 2014, at the end of each calendar month, Hospital will provide the monthly amount of $100,000 ("Guaranteed Amount"). For the period of November 14, 2014 to November 30, 2014, the Guaranteed Amount shall be pro-rated for the number of days covered during such period. In the event this Agreement is terminated or expires on a date other than the first or last day of the month, the Guaranteed Amount shall be pro-rated for the number of days covered during such partial month."

3. Section 5.4.2 is hereby deleted in its entirety and replaced with the following:

> "5.4.2 *Intentionally removed.*"

4. Section 5.4.3 is hereby deleted in its entirety and replaced with the following

> "5.4.3 *Intentionally removed*"

5. Term. Section 9.1 is hereby deleted in its entirety and replaced with the following:

> "9.1 <u>Term</u>. This Agreement shall commence on the Effective Date and shall expire on November 15, 2015 ("Term")."

6. Termination Without Cause. Section 9.2 is hereby deleted in its entirety and replaced with the following:

> "9.2 <u>Termination Without Cause</u>. CEP shall have the right to terminate this Agreement without cause at any time by giving written notice to Hospital. Termination by CEP shall be effective automatically upon the expiration of ninety (90) days after giving the notice of such termination. Hospital shall have the right to terminate this Agreement without cause at any time by giving written notice to CEP. Termination by Hospital shall be effective automatically upon the expiration of ninety (90) days after giving the notice of such termination. Notwithstanding the foregoing, neither party shall have the right to terminate this Agreement without cause with an effective termination date which is any sooner than January 31, 2015."

7. CEP hereby rescinds its notice of intent to terminate the Agreement dated July 15, 2014.

8. The terms of the Second Amendment to Agreement between the parties effective as of June 1, 2013 shall remain in full force and effect during the terms of this Amendment No. 3 such that CEP shall continue to provide a Medical Director for the STEMI Program, a Medical Director for the Stroke Program and secretarial services and Hospital shall continue to compensate CEP for such services in accordance with the provisions of the Second Amendment to Agreement.

9. <u>Construction</u>. The parties hereto agree that this Amendment No. 3 modifies, supplements, and forms a part of the Agreement. Except as expressly provided in this Amendment No. 3, the terms and conditions of the Agreement will remain unchanged and in full force and effect. In the event of any conflict or inconsistency between the terms and conditions of this Amendment No. 3 and the terms and conditions of the Agreement, the terms and conditions of this Amendment No. 3 will control.

10. <u>Entire Agreement</u>. This Amendment No. 3, together with the Agreement, constitutes the entire agreement between the parties with respect to the subject matter of this Amendment No. 3. All prior agreements, promises, negotiations or representations, oral or written, relating to the subject matter of this Amendment No. 3, not otherwise expressly set forth herein, are of no further force or effect.

11. <u>Counterparts</u>. This Amendment No. 3 may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12. <u>Full Force and Effect</u>. Except as expressly modified by this Amendment No. 3, the Agreement shall remain unchanged and in full force an effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 effective as of the Effective Date

HOSPITAL:	**CEP:**
Doctor's Medical Center - San Pablo	**California Emergency Physicians Medical Group, a California general partnership**
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________

DMC License Change
November 4, 2014

Current – 189
Proposed - 124

DOCTORS
MEDICAL CENTER

Floors	Current Licensed Beds	Revised Licensed Beds	Average Daily Census
ICU – 2nd	16	16	10
3rd	22	22	12
4th	41	41	24
5th	39	39	24
Dialysis	6	6	N/A
6th	38	0	
7th CDCR	20	0	
FICU	7	0	
Total	189	124	70

DOCTORS MEDICAL CENTER

WHY

- Savings of $17,327 by de licensing ($266.58/bed)
- Ability to have private rooms
- Ability to expand to a higher census when needed
- Improved security
- Decrease in routine maintenance/repairs/labor costs
- Target date July 15, 2015

DOCTORS
MEDICAL CENTER

Proposed Doctors Medical Center 403(b) Pension Plan Revisions

Both practice and legal changes have necessitated a change in the Doctors Medical Center 403(b) Pension Plan effective August 1, 2014. In addition to minor language changes to address redundant information or for clarification, the material change suggested relates to vesting requirements. Prior to August 1, all employees were required to reach five years of employment to be eligible for full DMC contributions to their pension fund. Management proposes that effective August 1, 2014, this vesting requirement be removed. This change necessitates the following language changes to the plan:

- Page 2: The words 'These employees will be' updated to read 'are'.

- Page 20: We have unchecked the 9-1 (c) from the document because it is now considered 'redundant' to language addressing the availability of Required Minimum Distributions elsewhere in the document.

- Appendix A, Special Effective Dates: A-1, the words 'the employer match' have been updated to read, 'Match Contributions'. This is a minor language change only.

- Appendix A, Special Effective Dates: A-10 Vesting and forfeiture rules. This is the material change necessary to change the vesting requirement. The following additional language will be added: Effective August 1, 2014, the forfeiture account shall be reallocated as additional Employer Contributions or as additional Matching Contributions on a uniform basis to Participants who are actively employed by the Employer as of August 1, 2014, and have an account in the West Contra Costa Health Care District Tax Deferred Retirement Investment Plan.

No other Plan changes are proposed at this time.

West Contra Costa Health Care District dba Doctors Medical Center
403(b) PLAN
ADOPTION AGREEMENT

SECTION 1
EMPLOYER INFORMATION

ORIGINAL PLAN

1-1 **EMPLOYER INFORMATION:**

Name: West Contra Costa Health Care District dba Doctors Medical Center

Address:

2000 Vale Road
San Pablo, CA 94806-3808

Telephone: 510-970-5000 Fax: N/A

1-2 **EMPLOYER IDENTIFICATION NUMBER (EIN):** 94-6003145

1-3 **TYPE OF EMPLOYER (optional):**

☐ (a) Public School (including elementary school, middle school, high school, college or university)
☐ (b) Tax exempt organization under IRC §501(c)(3)
☐ (c) Church (as defined in Section 1.20 of the Plan)
☐ (d) Church Related Organization (as defined in Section 1.22 of the Plan)
☑ (e) Tax exempt organization under IRC §501(c)(3) that is also part of a state government or political subdivision
☐ (f) Other: ____________

1-4 **EMPLOYER'S TAX YEAR END:** The Employer's tax year ends December 31

1-5 **RELATED EMPLOYERS:** List any Related Employers (as defined in Section 1.94 of the Plan). A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan. The failure to cover the Employees of a Related Employer may result in a violation of the minimum coverage rules under Code §410(b).

____

[Note: The failure to list all Related Employers will not jeopardize the qualified status of the Plan.]

SECTION 2
PLAN INFORMATION

2-1 **PLAN NAME:** West Contra Costa Health Care District Tax Deferred Retirement Investment Plan

2-2 **TYPE OF PLAN:**

☐ (a) Custodial Account under Code §403(b)(7)
☐ (b) Annuity Contract under Code §403(b)(1)
☑ (c) Combination Custodial Account and Annuity Contract
☐ (d) Retirement Income Account
☐ (e) Other: ____________

2-3 **PLAN YEAR:**

☑ (a) Calendar year.
☐ (b) The 12-consecutive month period ending on _____ each year.
☐ (d) Other: ____________.

2-4 **FROZEN PLAN:** Check this AA §2-4 if the Plan is a frozen Plan to which no contributions will be made.

☐ This Plan is a frozen Plan effective _____.

SECTION 3
ELIGIBLE EMPLOYEES

3-1 **ELIGIBLE EMPLOYEES:** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. (See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

Deferral	Match	ER	
☐	☐	☐	(a) No exclusions.
N/A	☐	☐	(b) Collectively Bargained Employees.
☐	☐	☐	(c) Nonresident aliens who receive no compensation from the Employer which constitutes U.S. source income.
☐	☐	☐	(d) Student Employees (as defined in Section 1.110 of the Plan).
☐	☐	☐	(e) Employees who normally work less than ____ (not more than 20) hours a week. (See Section 2.02(b)(5) of the Plan, especially for the application of this exclusion to plans covered by Title I of ERISA.)
N/A	☐	☐	(f) Highly Compensated Employees.
☐	N/A	N/A	(g) Employees eligible for a Code §457(b) plan (see Section 2.02(b)(6) of the Plan).
☐	N/A	N/A	(h) Employees eligible for a 401(k) or another 403(b) plan sponsored by the Employer (see Section 2.02(b)(6) of the Plan).
☑	N/A	N/A	(i) Employees whose contribution would be $200 or less (see Section 2.02(b)(6) of the Plan).
☐	☑	☑	(j) Other: Employees who are paid on a per-diem basis/non-benefit status condition of employment. Individuals who become Employees as a result of an asset or stock acquisition, merger, or other similar transaction. These Employees will be excluded during the period beginning on the date of the transaction and ending on the last day of the first Plan Year beginning after the date of the transaction.

[Note: Unless designated otherwise under subsection (j), any selection(s) in the Deferral column also apply to Roth Deferrals, After-Tax Contributions, and Safe Harbor Contributions; any selection(s) in the Match column also apply to QMACs; and any selection(s) in the ER column also apply to QNECs.]

SECTION 4
MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE:** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below). [Note that **an Eligible Employee becomes eligible to make Salary Deferrals on such Employee's first day of employment with the Employer.** See the Plan for the application of the minimum age and service conditions to After-Tax Employee Contributions and the application of the minimum age and service conditions to Safe Harbor Contributions.]

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Match	ER	
☐	☐	(1) There is no minimum service requirement for participation in the Plan.
☐	☑	(2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).

Match	ER	
☐	☐	(3) The completion of ___ *[cannot exceed* 12] consecutive full calendar months of employment during which the Employee is credited with at least ___ *[cannot exceed 1,000]* Hours of Service or the completion of a Year of Service. *[If no minimum Hours of Service are required, insert one (1) in the second blank line.]*
☐	☐	(4) The completion of ___ *[cannot exceed 1,000]* Hours of Service during an Eligibility Computation Period. *[If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.]*
☐	☐	(5) Two (2) Years of Service. *[Full and immediate vesting must be chosen under AA §8.]*
☑	☐	(6) Under the Elapsed Time method. See AA §4-3(c) below.
☐	☐	(7) Describe eligibility conditions: ______________________

[Note: Any conditions provided under (7) must be described in a manner that precludes Employer discretion, must satisfy the nondiscrimination requirements of §1.401(a)(4) of the regulations, and may not cause the Plan to violate the provisions of Code §410(a).]

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

Match	ER	
☑	☑	(1) There is no minimum age for Plan eligibility.
☐	☐	(2) Age 21.
☐	☐	(3) Age 20½.
☐	☐	(4) Age ___ (not later than age 21, but if an educational organization described in Code §170(b)(1)(A)(ii), not later than age 26).

4-2 **ENTRY DATE:** An Eligible Employee who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2. *[Note: If any of (b) – (g) is completed for a contribution source, also complete one of (h) – (k) for the same contribution source.]*

Match	ER	
☑	☑	(a) **Immediate.** The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
☐	☐	(b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.
☐	☐	(c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
☐	☐	(d) **Monthly.** The first day of each calendar month.
☐	☐	(e) **Payroll period.** The first day of the payroll period.
☐	☐	(f) **The first day of the Plan Year.** *[If this (f) is checked, see Section 2.03(b)(2) of the Plan for special rules that apply.]*

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

Match	ER	
☐	☐	(g) **next following** satisfaction of the minimum age and service requirements.
☐	☐	(h) **coinciding with or next following** satisfaction of the minimum age and service requirements.
☐	☐	(i) **nearest** the satisfaction of the minimum age and service requirements.
☐	☐	(j) **preceding** the satisfaction of the minimum age and service requirements.

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.59 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the Plan).
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. (See Section 2.07 of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

Match	ER	
☐	☐	(a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ *[must be less than 1,000]* Hours of Service during an Eligibility Computation Period.
☐	☐	(b) **Eligibility Computation Period (ECP).** The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years.
☑	☐	(c) **Elapsed Time method.** *[Check the same contribution source as checked in AA §4-1(a)(6) above.]* Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a 90 day __ *[not to exceed 24 month]* period of service to participate in the Plan. (See Section 2.03(a)(5) of the Plan.) *[Note: If a period greater than 12 months applies to either Matching Contributions or Employer Contributions, 100% vesting must be selected under AA §8 for those contributions.]*
☐	☐	(d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the Plan). The Equivalency Method will apply to: ☐ (1) All Employees. ☐ (2) Employees who are not paid on an hourly basis. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked. If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method. ☐ (3) **Monthly.** 190 Hours of Service for each month worked. ☐ (4) **Daily.** 10 Hours of Service for each day worked. ☐ (5) **Weekly.** 45 Hours of Service for each week worked. ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked.
☑	☑	(e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules. (See Section 2.07(b) of the Plan)
☐	☐	(f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
☑	☑	(g) **Special eligibility provisions.** The following special eligibility provisions apply: Notwithstanding the above, the Employee's Entry Date is the day following the satisfaction of the minimum service requirement.

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Match	ER		
☐	☐	(a)	**Automatic Eligibility.** An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to any minimum age and/or service conditions:
			☐ (1) the Effective Date of this Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable)
			☐ (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page)
			☐ (3) _____ *[insert date]*
☐	☐	(b)	**Describe** other effective date provisions: ____________

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility, vesting and for purposes of applying any allocation conditions under AA §6-6 and AA §6B-7.

In addition, service with the following Predecessor Employers also will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under (b) below. (See Sections 2.06, 3.09 and 7.06 of the Plan.)

☑ (a) Identify Predecessor Employer(s):

- Tenet Healthcare

[Note: If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility.]

☐ (b) The following special rules apply: ____________

[Use this (b) to impose limits on the service that will be taken into account with a Predecessor Employer for determining eligibility, vesting and allocation conditions. For example, if service with a Predecessor Employer will not be taken into account in the same manner in applying eligibility, vesting and allocation conditions, the limits applicable to such service may be identified in (b). Any limits imposed under this (b) may not cause the Plan to violate the nondiscrimination requirements under Treas. Reg. §1.401(a)(4).]

SECTION 5
COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.114 of the Plan for a specific definition of the various types of Total Compensation.

☐ (a) W-2 Wages

☐ (b) Code §415 Compensation.

☑ (c) Wages under Code §3401(a).

[For purposes of determining Total Compensation, each definition includes Elective Deferrals, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

5-2 **POST-SEVERANCE COMPENSATION.**

(a) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation (as defined in Section 1.114 of the Plan) includes post-severance compensation, to the extent provided in Section 1.114(b) of the Plan. For this purpose, severance pay is always excluded from the definition of Total Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the Limitation Year that includes such date of severance from employment is included in Total Compensation, unless excluded under this subsection (a). See Section 1.114(b) of the Plan.

The following amounts paid after a Participant's severance from employment are excluded from Total Compensation.

☑ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.

☑ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[Note: Plan Compensation (as defined in Section 1.80 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(k).]

(b) **Continuation payments for military service and disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for military service and disabled Participants. To count Total Compensation paid after severance of employment on account of military service and/or disability, check the appropriate selections under this subsection (b).

☐ (1) **Payments for military service.** Total Compensation includes amounts paid to an individual who does not currently perform services for the Employer by reason of qualified military service to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. See Section 1.114(c)(1) of the Plan.

☐ (2) **Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.114(c)(2) of the Plan. For this purpose, disability continuation payments will be included for:

☐ (i) Nonhighly Compensated Employees only

☐ (ii) All Participants who are permanently and totally disabled for a fixed or determinable period

(c) **Few weeks rule.** The few weeks rule (as described in Section 5.03(c)(7)(iii) of the Plan) will not apply unless designated otherwise under this subsection (c).

☐ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates ~~shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first~~ few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year. See Section 5.03(c)(7)(iii) of the Plan.

5-3 **PLAN COMPENSATION**: Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Match	ER		
☑	☑	(a)	No exclusions.
☐	☐	(b)	Elective Deferrals (as defined in Section 1.40 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
☐	☐	(c)	All fringe benefits, expense reimbursements, deferred compensation, and welfare benefits are excluded.
☐	☐	(d)	Compensation above $ ___ is excluded.
☐	☐	(e)	Amounts received as a bonus are excluded.
☐	☐	(f)	Amounts received as commissions are excluded.
☐	☐	(g)	Overtime payments are excluded.

© 2010 ASC Institute

Match	ER	
☐	☐	(h) Amounts received for services performed for a non-signatory Related Employer are excluded.
☐	☐	(i) "Deemed §125 compensation" as defined in Section 1.114 of the Plan.
☐	☐	(j) Amounts received after severance from employment are excluded. (See Section 1.114(b) of the Plan.)
☐	☐	(k) Describe adjustments to Plan Compensation: ______________________________

[Note: See AA §6C-3(c) for special rules that apply for purposes of applying the Safe Harbor provisions under AA §6C.]

5-4 **PERIOD FOR DETERMINING COMPENSATION.**

(a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. *[If (2), (3) or (4) is checked for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated below.]*

Match	ER	
☑	☑	(1) The Plan Year.
☐	☐	(2) The calendar year ending in the Plan Year.
☐	☐	(3) The Employer's fiscal tax year ending in the Plan Year.
☐	☐	(4) The 12-month period ending on ____ which ends during the Plan Year.

(b) **Compensation while a Participant.** In determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below.

Match	ER	
☐	☐	All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

SECTION 6
EMPLOYER CONTRIBUTIONS

6-1 **EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions and/or Qualified Nonelective Contributions (QNECs) under the Plan?

☑ Yes

☐ No *[If No, skip to Section 6A.]*

6-2 **EMPLOYER CONTRIBUTION FORMULAS.** For the period designated in AA §6-5 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3 or AA §6-4, as applicable.

☑ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.

☐ (b) **Fixed contribution.**

- ☐ (1) ___% of each Participant's Plan Compensation.
- ☐ (2) $___ for each Participant.

☐ (c) **Service-based contribution.** The Employer will make:

- ☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.
- ☐ (2) **Fixed percentage.** ___% of Plan Compensation paid for each period of service designated below.
- ☐ (3) **Fixed dollar.** $___ for each period of service designated below.

© 2010 ASC Institute

The service-based contribution selected under this (c) will be based on the following periods of service:

☐ (4) Each Hour of Service

☐ (5) Each week of employment

☐ (6) Describe period: ______________________________

[Note: Any period described in subsection (6) cannot exceed a 12-month period.]

6-3 ALLOCATION FORMULA.

☐ (a) **Pro rata allocation.** The Employer Contribution under AA §6-2 will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount. If a fixed Employer Contribution is selected in AA §6-2(b), the Employer Contribution will be allocated in accordance with the selections made in AA §6-2(b). If both a discretionary and fixed Employer Contribution is selected in AA §6-2, this subsection (a) may be selected for both contribution formulas.

☐ (b) **New comparability allocation.** The Employer may make a separate discretionary Employer Contribution (as authorized under AA §6-2(a) above) to the Participants in the following allocation groups. Any amounts allocated to an allocation group will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount to all Participants within that allocation group. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.

☐ (1) A separate discretionary Employer Contribution will be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).

☐ (2) A separate discretionary Employer Contribution will be made to the following allocation groups:

☐ (i) **Group 1:** ______________________________

☐ (ii) **Group 2:** ______________________________

☐ (iii) **Group 3:** ______________________________

☐ (iv) **Group 4:** ______________________________

☐ (v) **Group 5:** ______________________________

[Note: The allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii). See Section 3.02(a)(1)(ii)(B)(IV) of the Plan for restrictions that apply with respect to "short-service" Employees.]

☐ (3) **Special rules.** The following special rules apply to the new comparability allocation formula described in this AA §6-3(b).

☐ (i) **Family Members.** In determining the separate groups under (2) above, Family Members (as defined in Section 3.02(a)(1)(ii)(B)(I) of the Plan) of a Five Percent Owner are always in a separate allocation group.

☐ (ii) **Benefiting Participants who do not receive Minimum Gateway Contribution.** In determining the separate groups under (2) above, Benefiting Participants who do not receive a Minimum Gateway Contribution are always in a separate allocation group. (See Section 3.02(a)(1)(ii)(B)(III) of the Plan.)

☐ (c) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 3.02(a)(1)(iii)(B) of the Plan).

Unless designated otherwise below, a Participant's Actuarial Factor is determined based on a designated interest rate of 8.5% and a UP-1984 mortality table.

☐ **Alternative interest rate and/or mortality table:** ______________________________

[Note: See Exhibit A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Any alternative interest or mortality factors must meet the requirements for standard interest and mortality assumptions as defined in Treas. Reg. §1.401(a)-12.]

☐ (d) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2(c) will be allocated in accordance with the selections made in AA §6-2(c).

☑ (b) **Other allocation method:** The employer contribution will be given each year based on the current Collective Bargaining Agreement schedule.

© 2010 ASC Institute

6-4 **QUALIFIED NONELECTIVE CONTRIBUTIONS (QNECs).** For any Plan Year, the Employer may make a discretionary QNEC to the Plan. Such QNEC will be allocated as a uniform percentage of Plan Compensation to all Nonhighly Compensated Participants, without regard to the allocation conditions selected in AA §6-6 below.

To modify these default allocation provisions, complete the applicable provision under this AA §6-4.

☐ (a) **All Participants.** Any QNEC made pursuant to this AA §6-4 will be allocated to all Participants, including Highly Compensated Participants.

☐ (b) **Targeted QNECs.** The QNEC will be allocated to Nonhighly Compensated Employees in accordance with the Targeted QNEC allocation formula under Section 3.02(b)(2)(ii) of the Plan. For this purpose, a Targeted QNEC may be allocated as a percentage of Plan Compensation or as a uniform dollar amount.

6-5 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-5.

☐ (a) **Period for determining Employer Contributions.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation earned during the Plan Year.

Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation earned during the following period:

☐ (1) Plan Year quarter. ☐ (2) calendar month.

☐ (3) payroll period. ☐ (4) Other: ______________________

[Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this subsection (a). Any alternative period designated under subsection (4) may not exceed a 12-month period and will apply uniformly to all Participants.]

☐ (b) **Contributions for former Employees.** If this (b) is elected, the Employer will continue to make Employer Contributions on behalf of a former Employee as provided in Section 3.01(c) of the Plan.

☐ (c) **Special rules.** The following special provisions apply: ______________________

6-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. *[Note: The allocation conditions under this AA §6-6 do not apply to Safe Harbor Employer Contributions.]*

☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:

☐ (1) ___ (not to exceed 500) Hours of Service during the Plan Year.

☐ (2) ___ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

☑ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☑ (d) **Minimum service condition.** An Employee must be credited with at least:

☑ (1) 1000 Hours of Service (not to exceed 1,000) during the Plan Year.

☐ (2) ___ (not more than 182) consecutive days of employment with the Employer during the Plan Year.

☑ (e) **Exceptions.** The above allocation condition(s) will not apply if the Employee:

☑ (1) dies during the Plan Year.

☑ (2) terminates employment as a result of a Disability.

☑ (3) terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.

☑ (4) terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

SECTION 6A
SALARY DEFERRALS

6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

☐ (a) **Yes.** This is a Salary Deferral only Plan. The Employer will make no other contributions to the Plan. [Note: If certain conditions are satisfied, this Plan is not subject to ERISA.]

☑ (b) **Yes.** This Plan permits Salary Deferrals and other Employer Contributions. [Note: This Plan, unless otherwise exempt as a Governmental Plan or Church Plan, is subject to ERISA.]

☐ (c) **No.** *[If "No" is checked, skip to Section 6B.]*

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** A Participant may defer an amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation. See Sections 5.02 and 5.03 of the Plan.

6A-3 **MINIMUM DEFERRAL RATE.** There is no minimum deferral rate applicable to Salary Deferrals under the Plan.

6A-4 **AGE 50 CATCH-UP CONTRIBUTIONS.** The following provisions apply with respect to Age 50 Catch-Up Contributions (as defined in Section 3.03(d) of the Plan).

☑ (a) Age 50 Catch-Up Contributions are permitted under the Plan.

☑ (1) Age 50 Catch-Up Contributions are eligible for any Matching Contributions under the Plan.

☐ (2) Age 50 Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).

☐ (b) Age 50 Catch-Up Contributions are **not** permitted under the Plan.

6A-5 **SPECIAL CATCH-UP CONTRIBUTIONS FOR QUALIFIED EMPLOYEES OF QUALIFIED ORGANIZATIONS.** The following provisions apply with respect to Special Catch-Up Contributions (as defined in Section 3.03(e) of the Plan).

☑ (a) Special Catch-Up Contributions are permitted under the Plan.

☑ (1) Special Catch-Up Contributions are eligible for any Matching Contributions under the Plan.

☐ (2) Special Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).

☐ (b) Special Catch-Up Contributions are **not** permitted under the Plan.

[Note: Special Catch-Up Contributions are only available to qualified Employees of Qualified Organizations. See Section 3.03(e) of the Plan.]

6A-6 **ROTH DEFERRALS.** The following provisions apply with respect to Roth Deferrals (as defined in Section 3.03(g) of the Plan).

Availability of Roth Deferrals.

☐ (a) Roth Deferrals are permitted under the Plan. *[Note: If Roth Deferrals are effective as of a date other than the Effective Date of the Plan, designate such special Effective Date in AA §6A-9(c) below.]*

☐ (1) Roth Deferrals are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).

☐ (2) Only Roth Deferrals are eligible for any Matching Contributions under the Plan (i.e., Pre-Tax Deferrals are not eligible for Matching Contributions (other than Safe Harbor Matching Contributions)).

[If neither (1) nor (2) is selected, all Salary Deferrals are eligible for Matching Contributions.]

☑ (b) Roth Deferrals are **not** permitted under the Plan.

Distribution of Roth Deferrals. To the extent a Participant takes a distribution or withdrawal from his/her deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (See Section 8.10(b)(2) of the Plan for default distribution rules if a Participant fails to designate the appropriate Account for corrective distributions from the Plan.)

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

☐ (c) **Distributions and withdrawals.**

☐ (1) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.

☐ (2) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.

☐ (3) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

☐ (d) **Corrective distributions of Excess Deferrals, Excess Annual Additions under Code §415, or Excess Aggregate Contributions.**

☐ (1) Corrective distributions will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.

☐ (2) Corrective distributions will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.

☐ (3) Corrective distributions will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

6A-7 **CHANGE OR REVOCATION OF DEFERRAL ELECTION:** In addition to the Participant's Entry Date under the Plan, a Participant may change, revoke or resume a Deferral Election (on a prospective basis) as of the dates designated under the Salary Deferral Agreement or other written procedures adopted by the Plan Administrator.

6A-8 **AUTOMATIC DEFERRAL ELECTION.** No automatic deferral election applies under Section 3.03(c) of the Plan.

To provide for an automatic deferral election, complete this AA §6A-8.

☐ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), an Eligible Participant will be deemed to have entered into a Salary Deferral Election with a ___% of Total Compensation deferral election for each payroll period, unless the Participant makes a contrary Salary Reduction Agreement. Unless designated otherwise by the Participant, any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals.

☐ (b) **Automatic increase.** If elected under this subsection (b), the automatic deferral amount set forth in subsection (a) will increase each Plan Year by the following percentage:

☐ (1) ___% of Total Compensation

but not in excess of

☐ (2) ___% of Total Compensation

☐ (c) **Application of automatic deferral provisions.** This automatic deferral election will apply to:

☐ (1) all Participants who have not entered into a Salary Reduction Agreement (including an election not to defer under the Plan).

☐ (2) all Participants who have not entered into a Salary Reduction Agreement as of _____ that is at least equal to the automatic deferral amount under subsection (a).

☐ (3) only Employees who become Participants on or after _____ and who do not enter into a contrary Salary Reduction Agreement (including an election not to defer under the Plan).

☐ (d) **Permissible withdrawals under Eligible Automatic Contribution Arrangements.** If the Plan provides for an automatic deferral election under this AA §6A-8 and the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c)(1) of the Plan), any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of Section 3.03(c)(2) of the Plan.

[*Note: If this subsection (d) is not checked, the permissible withdrawal provisions under Section 3.03(c)(2) of the Plan are not available.*]

© 2010 ASC Institute

6A-9 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-9, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the Plan.)

☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:

☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).

☐ (2) _____ (insert date).

☐ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-6 are effective as of _____. *[If this (b) is not checked and Roth Deferrals are permitted under AA §6A-6 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9).]*

☐ (c) **Automatic deferral provisions.** The automatic deferral provisions under AA §6A-8 are effective as of _____. *[If this (c) is not checked and the Plan applies an automatic deferral election under AA §6A-8, such automatic deferral provisions are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9).]*

6A-10 **SPECIAL RULES APPLICABLE TO SALARY DEFERRAL.** The following special rules apply to Salary Deferrals:

____

SECTION 6B
MATCHING CONTRIBUTIONS

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions and/or Qualified Matching Contributions (QMACs) under the Plan?

☑ **Yes.** *[Check this box if Matching Contributions may be made under the Plan, including Matching Contributions that satisfy the ACP safe harbor (i.e., Matching Contributions that are made in addition to the Safe Harbor Contributions required to satisfy the ADP safe harbor under AA §6C-2(a)).]*

☐ **No.** *[Check this box if there are no Matching Contributions or the only Matching Contributions are Safe Harbor Matching Contributions that satisfy the ADP safe harbor under AA §6C-2(a). If "No" is checked, skip to Section 6C.]*

6B-2 **MATCHING CONTRIBUTION FORMULAS:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-7 below. *[If the Plan provides for After-Tax Contributions, see AA §6D to determine the application of the Matching Contribution formulas to After-Tax Contributions.]*

☑ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount can be determined either as a uniform percentage of deferrals or as a flat dollar amount for each Participant.

☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:

☐ (1) ___% of Salary Deferrals made for each period designated in AA §6B-5 below.

☐ (2) $___ for each period designated in AA §6B-5 below.

☐ (c) **Tiered match.** The Employer will make a Matching Contribution to all Participants based on the following tiers of Salary Deferrals.

Salary Deferrals ***(% of Plan Compensation or dollar amount)***	**Match %**
☐ (1) Salary Deferrals up to first __% or $____	_________%
☐ (2) Salary Deferrals up to __% or $____	_________%
☐ (3) Salary Deferrals up to __% or $____	_________%
☐ (4) Salary Deferrals up to __% or $____	_________%

[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]

☐ (d) **Discretionary tiered match.** The Employer will make a discretionary Matching Contribution to all Participants based on the following tiers of Salary Deferrals. The Employer may determine the amount of Matching Contribution to be made with respect to each tier of Salary Deferrals.

Salary Deferrals ***(% of Plan Compensation or dollar amount)***
☐ (1) Salary Deferrals up to first __% or $____
☐ (2) Salary Deferrals up to __% or $____
☐ (3) Salary Deferrals up to __% or $____
☐ (4) Salary Deferrals up to __% or $____

[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]

☐ (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	**Matching Percentage**
☐ (1) Up to ____ YOS	_______%
☐ (2) Up to ____ YOS	_______%
☐ (3) Up to ____ YOS	_______%
☐ (4) YOS above _______	_______%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: ____

[Note: Each separate rate of Matching Contribution must satisfy the nondiscrimination requirements under Treas. Reg. §1.401(a)(4)-4 as a separate benefit, right or feature.]

6B-3 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, the following limits apply.

☑ (a) **No limits apply.** All Salary Deferrals are eligible for Matching Contributions.

☐ (b) **Limit on Salary Deferrals.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Salary Deferrals that do not exceed:

☐ (1) ___% of Plan Compensation.

☐ (2) $___.

☐ (3) A discretionary amount determined by the Employer.

☐ (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:

☐ (1) ___% of Plan Compensation.

☐ (2) $___.

[Note: If a Matching Contribution is designed to satisfy the ACP safe harbor (as described in Section 6.04 of the Plan), subsection (b)(1) above must be completed with no more than a 6% of Plan Compensation deferral limit. In addition, if the Matching Contribution is a discretionary formula, to satisfy the ACP safe harbor, subsection (c)(1) above also must be completed with no more than a 4% of Plan Compensation total match limit.]

6B-4 **QUALIFIED MATCHING CONTRIBUTIONS (QMACs):** For any Plan Year, the Employer may make a discretionary QMAC to the Plan to correct a failed ACP Test. Such QMAC will be allocated as a uniform percentage of each Nonhighly Compensated Participant's Salary Deferrals made during the Plan Year, without regard to any allocation conditions selected under AA §6B-7. (See Section 3.04(d) of the Plan.)

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-3) are based on Salary Deferrals for the **Plan Year.** To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-3, check one of (a) – (d) below.

☑ (a) payroll period. ☐ (b) Plan Year quarter.

☐ (c) calendar month. ☐ (d) Other: ______________________

[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6B-5. See Section 3.04(c) of the Plan for a discussion of the "true up" requirements applicable to Matching Contributions.]

6B-6 **ACP TESTING.** (See Section 6.02 of the Plan.)

(a) **ACP Testing Method.** The ACP Test will be performed using the following testing method: (See Section 6.02(a)(2) of the Plan.)

☑ (1) The Plan will use the **Current Year Method** in running the ACP Test.

☐ (2) The Plan will use the **Prior Year Method** in running the ACP Test.

[Note: If the Plan is intended to be a Safe Harbor Plan (as designated in AA §6C below), the Plan must use the Current Year Method.]

(b) **Special rule for first Plan Year.** If this is a new Plan, the testing method selected in subsection (a) above applies for purposes of applying the ACP Test for the first Plan Year of the Plan, unless designated otherwise under this subsection (b). If the Prior Year Testing Method applies, the ACP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%. (See Section 6.02(a)(3) of the Plan.)

☐ (1) **Instead of the Prior Year Method** selected under subsection (a)(2) above, the Plan will use the Current Year Method for the first Plan Year for which the Plan is effective.

☐ (2) **Instead of the Current Year Method** selected under subsection (a)(1) above, the Plan will use the Prior Year Method for the first Plan Year for which the Plan is effective.

6B-7 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive a Matching Contribution, must satisfy any allocation conditions designated under this AA §6B-7 to receive an allocation of Matching Contributions under the Plan. *[Note: The allocation conditions under this AA §6B-7 do not apply to Safe Harbor Matching Contributions under AA §6C or QMACs under AA §6B-4, unless provided otherwise under those specific sections. Administrative problems may occur if Matching Contributions are actually made to the Plan prior to the completion of any allocation conditions under this AA §6B-7. See Section 3.08 of the Plan.]*

☑ (a) **No allocation conditions** apply with respect to Matching Contributions under the Plan.

☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:

☐ (1) ___ (not to exceed 500) Hours of Service during the Plan Year.

☐ (2) ___ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

☐ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☐ (d) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) ___ Hours of Service (not to exceed 1,000) during the Plan Year.

☐ (2) ___ (not more than 182) consecutive days of employment with the Employer during the Plan Year.

☐ (e) **Exceptions.** The above allocation condition(s) will **not** apply:

☐ (1) if the Employee dies during the Plan Year.

☐ (2) if the Employee terminates employment as a result of a Disability.

☐ (3) if the Employee terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.

☐ (4) if the Employee terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

6B-8 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: ______________________________

SECTION 6C
SAFE HARBOR CONTRIBUTIONS

6C-1 **SAFE HARBOR PLAN.** Is the Plan intended to be a Safe Harbor Plan?

☐ Yes

☑ No *[If "No" is checked, skip to Section 6D.]*

6C-2 **SAFE HARBOR CONTRIBUTION.** To qualify as a Safe Harbor Plan, the Employer must make a Safe Harbor Matching Contribution or Safe Harbor Employer Contribution. The Safe Harbor Contribution elected under this AA §6C-2 will be in addition to any Employer Contribution or Matching Contribution elected in AA §6 or AA §6B above.

☐ (a) **Safe Harbor Matching Contribution.**

(1) **Safe Harbor Matching Contribution formula.**

☐ (i) **Basic match:** 100% of Salary Deferrals up to the first 3% of Plan Compensation, plus 50% of Salary Deferrals up to the next 2% of Plan Compensation.

☐ (ii) **Enhanced match:** ___% (not less than 100%) of Salary Deferrals up to ___% (not less than 4% and not more than 6%) of Plan Compensation.

☐ (iii) **Tiered match:** _______% of Salary Deferrals up to the first ___% of Plan Compensation,

☐ (A) plus ___% of Salary Deferrals up to the next ___% of Plan Compensation,

☐ (B) plus ___% of Salary Deferrals up to the next ___% of Plan Compensation.

[Note: The tiered match may not provide for a greater level of match at higher levels of Salary Deferrals and the total amount of Salary Deferrals eligible for a match may not exceed 6% of Plan Compensation.]

(2) **Period for determining Safe Harbor Matching Contributions.** The Safe Harbor Matching Contribution formula selected in (1) above is based on Salary Deferrals for the following period:

☐ (i) Plan Year. ☐ (ii) payroll period.

☐ (iii) Plan Year quarter. ☐ (iv) calendar month.

☐ (v) Other: ______________________________

☐ (b) **Safe Harbor Employer Contribution:** _% (not less than 3%) of Plan Compensation.

☐ (1) **Supplemental Safe Harbor notice.** Check this selection if the Employer will make the Safe Harbor Employer Contribution pursuant to a supplemental notice, as described in Section 6.04(a)(4)(iii) of the Plan.

[Note: If this (1) is checked, the Safe Harbor Employer Contribution described above will be required for a Plan Year only if the Employer provides a supplemental notice (as described in Section 6.04(a)(4)(iii) of the Plan). If the Employer properly provides the Safe Harbor notice but does not provide a supplemental notice, the Employer need not provide the Safe Harbor Employer Contribution described above. In such a case, the Plan will not qualify as a Safe Harbor Plan for that Plan Year and will be subject to ACP testing, as applicable.]

☐ (2) **Other plan.** Check this selection if the Safe Harbor Employer Contribution will be made under another plan maintained by the Employer and identify the plan:

____

6C-3 **ELIGIBILITY FOR SAFE HARBOR CONTRIBUTION.** The Safe Harbor Contribution selected in AA §6C-2 above will be allocated all Participants who are eligible to make Salary Deferrals under the Plan, unless designated otherwise under this AA §6-3.

☐ (a) **Eligible Employees.** Instead of being allocated to all eligible Participants, the Safe Harbor Contribution will be allocated only to:

☐ (1) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan (see AA §4-1).

☐ (2) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan and any Highly Compensated Non-Key Employees who are eligible to make Salary Deferrals under the Plan (see AA §4-1).

☐ (b) **Eligibility conditions.** Instead of using the eligibility conditions applicable to Salary Deferrals under AA §4-1, the following eligibility conditions apply for Safe Harbor Contributions:

☐ (1) One Year of Service and age 21 with semi-annual Entry Dates.

☐ (2) The eligibility conditions applicable to Matching Contributions (as selected in AA §4-1).

☐ (3) The eligibility conditions applicable to Employer Contributions (as selected in AA §4-1).

☐ (c) **Describe** special conditions for determining Safe Harbor Contributions: ______________________

6C-4 **DELAYED EFFECTIVE DATE.** The Safe Harbor provisions under this AA §6C are effective as of the Effective Date of the Plan, as designated in the Employer Signature Page. To provide for a delayed effective date for the Safe Harbor provisions, check this AA §6C-4.

☐ The Safe Harbor provisions under this AA §6C are effective beginning _____. Prior to this delayed effective date, the provisions of this AA §6C do not apply. Thus, prior to the delayed effective date, the Employer is not obligated to make a Safe Harbor Contribution and the Plan is subject to ACP Testing, to the extent applicable.

SECTION 6D
AFTER-TAX CONTRIBUTIONS

6D-1 **AFTER-TAX CONTRIBUTIONS.** Are Employees permitted to make After-Tax Contributions under the Plan?

☐ Yes

☑ No *[If "No" is checked, skip to Section 7.]*

6D-2 **LIMITS ON AFTER-TAX CONTRIBUTIONS.** A Participant may contribute any amount as After-Tax Contributions up to the Code §415 Limitation (as defined in Section 5.03 of the Plan).

6D-3 **ELIGIBILITY FOR MATCHING CONTRIBUTIONS.** If the Plan provides for Matching Contributions under AA §6B or Safe Harbor Matching Contributions under AA §6C, such matching contributions will apply to After-Tax Contributions made pursuant to this AA §6D, unless limited under AA 6D-4 below.

6D-4 **SPECIAL RULES.** The following special rules apply with respect to After-Tax Contributions: ______________________

© 2010 ASC Institute

6D-5 **MANDATORY AFTER-TAX CONTRIBUTIONS.**

☐ (a) Employees are required to make Mandatory After-Tax Contributions in order to participate under the Plan in the following amount:

☐ (1) ____% of each Employee's Total Compensation.

☐ (2) $____ for each Participant.

☐ (3) Describe rate or amount: ____________________

☐ (b) Special rules applicable to Mandatory After-Tax Contributions: ____________________

SECTION 7
RETIREMENT AGES

7-1 **NORMAL RETIREMENT AGE:** Normal Retirement Age under the Plan is:

☑ (a) Age 59 1/2 (not to exceed 65).

☐ (b) The later of (1) age ___ (not to exceed 65) or (2) the ___ (not to exceed 5th) anniversary of the date the Employee commenced participation in the Plan.

☐ (c) ____________________ (may not be later than the maximum age permitted under subsection (b)).

7-2 **EARLY RETIREMENT AGE:**

☐ (a) There is no Early Retirement Age under the Plan.

☑ (b) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:

☑ (1) Attainment of age 55

☐ (2) The ___ anniversary of the date the Employee commenced participation in the Plan, and/or

☐ (3) The completion of ___ Years of Service, determined as follows:

☐ (i) Same as for eligibility.

☐ (ii) Same as for vesting.

SECTION 8
VESTING AND FORFEITURES

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

☑ Yes

☐ No [*If "No" is checked, skip to Section 9. See Section 7.11(a) of the Plan for default forfeiture rules.*]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02(a) of the Plan for a description of the various vesting schedules under this AA §8-2. [*Note: Any Safe Harbor Employer Contributions or Safe Harbor Matching Contributions under AA §6C and any QNECs or QMACs under AA §6-4 or AA §6B-4 are always 100% vested.*]

☑ (a) **Employer Contributions (see AA §6)**

☐ (1) Full and immediate vesting.

☐ (2) Three-year cliff vesting schedule

☐ (3) Six-year graded vesting schedule

☑ (b) **Matching Contributions (see AA §6B)**

☐ (1) Full and immediate vesting.

☐ (2) Three-year cliff vesting schedule

☐ (3) Six-year graded vesting

☑ (a) **Employer Contributions (see AA §6)**

☑ (4) Modified vesting schedule

20 % after 1 Year of Service
40 % after 2 Years of Service
60 % after 3 Years of Service
80 % after 4 Years of Service
100 % after 5 Years of Service
100% after 6 Years of Service

☐ (5) Other vesting schedule: ______________

☑ (b) **Matching Contributions (see AA §6B)**

☑ (4) Modified vesting schedule

20 % after 1 Year of Service
40 % after 2 Years of Service
60 % after 3 Years of Service
80 % after 4 Years of Service
100 % after 5 Years of Service
100% after 6 Years of Service

☐ (5) Other vesting schedule ____

[Note: If a modified vesting schedule is selected under subsection (4) for Employer Contributions or Matching Contributions, the vested percentage for every Year of Service must satisfy the vesting requirements under the 6-year graded vesting schedule, unless 100% vesting occurs after no more than 3 Years of Service. If the Employer is a governmental entity or nonelecting chuch plan (i.e., a non-ERISA plan), the Employer may elect under subsection (5) a vesting schedule that satisfies the pre-ERISA vesting requirements.]

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

☑ (a) None, all service with the Employer counts for vesting purposes.

☐ (b) Service before the original Effective Date of this Plan is excluded. (See Section 7.06 of the Plan for rules regarding Predecessor Service.)

☐ (c) Service completed before the Employee's ____ (not to exceed 18th) birthday is excluded.

[Note: See Section 7.06 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

☑ (a) dies

☑ (b) terminates employment due to becoming Disabled

☑ (c) reaches Early Retirement Age

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply. (See Section 7.07 of the Plan.)

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

ER	Match	
☐	☐	(a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ *[must be less than 1,000]* Hours of Service during a Vesting Computation Period.
☐	☐	(b) **Vesting Computation Period (VCP).** Instead of the Plan Year, the Vesting Computation Period is: ☐ (1) The 12-month period beginning with the anniversary of the Employee's date of hire. ☐ (2) Describe: ______________ *[Note: Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]*
☐	☐	(c) **Elapsed Time Method.** Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the Plan.)

ER	Match	
☐	☐	(d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a) (2) of the Plan). The Equivalency Method will apply to: ☐ (1) All Employees. ☐ (2) Employees who are not paid on an hourly basis. For Employees paid on an hourly basis, vesting will be determined based on actual hours worked. If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method. ☐ (3) **Monthly.** 190 Hours of Service for each month worked. ☐ (4) **Daily.** 10 Hours of Service for each day worked. ☐ (5) **Weekly.** 45 Hours of Service for each week worked. ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.
☑	☑	(e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.07(c) of the Plan).
☐	☐	(f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 7.07(b) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
☐	☐	(g) **Special vesting provisions.** No special vesting provisions apply unless designated under this subsection (g): ______ *[Note: Any special vesting provision designated in subsection (g) must satisfy the requirements of Code §411(a) and must satisfy the nondiscrimination requirements under §1.401(a)(4) of the regulations.]*

8-6 **ALLOCATION OF FORFEITURES.** Any forfeitures occurring during a Plan Year will be:

ER	Match	
☐	☐	(a) Reallocated as additional Employer Contributions or as additional Matching Contributions.
☑	☑	(b) Used to reduce Employer and/or Matching Contributions.

For purposes of this AA §8-6, forfeitures will be applied:

☑	☑	(c) for the Plan Year in which the forfeiture occurs.
~~☐~~	~~☐~~	~~(d) for the Plan Year following the Plan Year in which the forfeitures occur.~~

Prior to applying forfeitures under this AA §8-6:

☑	☑	(e) Forfeitures will be used to pay Plan expenses.
☐	☐	(f) Forfeitures will **not** be used to pay Plan expenses.

8-7 **SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

(a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 7.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-7(a).

☑ The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

(b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-7(b).

☐ A forfeiture will occur upon the completion of ____ *[cannot exceed 5]* consecutive Breaks in Service (as defined in Section 7.07(a) of the Plan).

SECTION 9 DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

9-1 **AVAILABLE FORMS OF DISTRIBUTION.**

Lump sum distribution Unless selected otherwise under subsection (e) below, a Participant may take a distribution of his/her entire vested Account Balance in a single lump sum.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (e) below and indicate that no lump sum distribution is available under the Plan.

☑ (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.

☑ **Minimum distribution amount.** A Participant may not take a partial lump sum distribution of less than $1000 ____.

☑ (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

☑ (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 8.11 of the Plan.

☑ (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.02 of the Plan.

☐ (e) **Describe:** ____

[Note: Any distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-2 **QUALIFIED JOINT AND SURVIVOR ANNUITY RULES.** This Plan is not subject to the Qualified Joint and Survivor Annuity rules, except to the extent required under Section 9.01 of the Plan (e.g., if the Plan is a Transferee Plan). Upon termination of employment, a Participant may receive a distribution from the Plan, in accordance with the provisions of AA §9-3, in any form allowed under AA §9-1. (If any portion of this Plan is subject to the Qualified Joint and Survivor Annuity rules, the QJSA and QPSA provisions will automatically apply to such portion of the Plan.)

To override this default provision, complete the applicable sections of this AA §9-2.

☐ (a) **Qualified Joint and Survivor Annuity rules.** Check this (a) to apply the Qualified Joint and Survivor rules to the entire Plan. If this (a) is checked, all distributions from the Plan must satisfy the QJSA and QPSA requirements under Section 9 of the Plan, with the following modifications:

☐ (1) **No modifications.**

☐ (2) **Modified QJSA benefit.** Instead of a 50% survivor benefit, the spouse's survivor benefit is:

☐ (i) 100%. ☐ (ii) 75%. ☐ (iii) 66-2/3%.

☐ (3) **Modified QPSA benefit.** Instead of a 50% QPSA benefit, the QPSA benefit is 100% of the Participant's vested Account Balance.

☐ (b) **One-year marriage rule.** The one-year marriage rule does not apply unless this (b) is checked. See Section 9.04(c)(2) of the Plan.

9-3 **TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.**

(a) **Distribution of vested Account Balances exceeding $5,000.** A Participant who terminates employment with a vested Account Balance exceeding $5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:

☑ (1) the date the Participant terminates employment.

☐ (2) the last day of the Plan Year during which the Participant terminates employment.

☐ (3) the first Valuation Date following the Participant's termination of employment.

☐ (4) the completion of ____ Breaks in Service.

☐ (5) Describe: ____

[Note: Any distribution event described in (5) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

© 2010 ASC Institute

(b) **Distribution of vested Account Balances not exceeding $5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed $5,000 may receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:

☑ (1) the date the Participant terminates employment.

☐ (2) the last day of the Plan Year during which the Participant terminates employment.

☐ (3) the first Valuation Date following the Participant's termination of employment.

☐ (4) Describe: ______________________________

[Note: Any distribution event described in (4) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-4 **SPECIAL RULES.**

(a) **Availability of Involuntary Cash-Out Distributions.** A Participant who terminates employment with a vested Account Balance of $5,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.06 of the Plan.

Alternatively, an Involuntary Cash-Out Distribution will be made to the following terminated Participants

☐ (1) **No Involuntary Cash-Out Distribution.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan.

☐ (2) **Lower Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:

☐ (i) $1,000

☐ (ii) $_____ *(must be less than $5,000)*

(b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the Plan do not apply to any Involuntary Cash-Out Distribution below $1,000 (to the extent available under the Plan).

To override this default provision, check this subsection (b).

☑ Check this (b) to apply the Automatic Rollover provisions under Section 8.06 of the Plan to all Involuntary Cash-Out Distributions (including those below $1,000).

(c) **Treatment of Rollover Contributions.** Unless elected otherwise under this (c), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.04(a) of the Plan. To include Rollover Contributions for purposes of applying the Plan's distribution rules, check below.

☐ In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be included.

(d) **Distribution upon attainment of stated age.** A Participant must consent to a distribution from the Plan at any time prior to attainment of the Participant's Required Beginning Date.

To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.

☐ Subject to the spousal consent requirements under Section 9.04 of the Plan, a distribution from the Plan will be made to a terminated Participant without the Participant's consent, regardless of the value of such Participant's vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).

SECTION 10
IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §10-1.

Deferral	Match	ER	
☐	☐	☐	(a) No in-service distributions are permitted.
☑	☐	☑	(b) Attainment of age 59 1/2. *[If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]*
☑	☐	☐	(c) A Hardship (that satisfies the safe harbor rules under Section 8.09(d)(1) of the Plan). *[Note: Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account, QNECs, QMACs, or Safe Harbor Contributions.]*

Deferral	Match	ER	
☑	☑	☑	(d) Attainment of Normal Retirement Age. [*If Normal Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.*]
☐	☐	☐	(e) Attainment of Early Retirement Age. [*If Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.*]
N/A	☐	☐	(f) Completion of ____ Years of Service. [*This election is not available with respect to amounts held in a Custodial Account.*]
☐	☐	☐	(g) Describe: ____________________

[*Note: Unless designated otherwise under (g), any selection(s) in the Deferral column also apply to Roth Contributions, After-Tax Contributions, Safe Harbor Contributions, QMACs and QNECs. Distributions from a Participant's Salary Deferral Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, has a Hardship, becomes Disabled or attains age 59 ½. Distributions from a Participant's Custodial Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, becomes Disabled or attains age 59 ½.*]

10-2 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-2.

☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.

☐ (b) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.

☐ (c) A Participant may not take an in-service distribution of less than $____ (may not exceed $1,000).

☐ (d) If a Hardship distribution is permitted in AA §10-1 above, a Participant may take such a Hardship distribution after termination of employment.

☐ (e) Describe: ____________________

[*Note: Any special rules described in (e) will apply uniformly to all Participants under the Plan.*]

10-3 **REQUIRED BEGINNING DATE – NON-5% OWNERS.** In applying the required minimum distribution rules under Section 8.12 of the Plan, the Required Beginning Date for non-5% owners is:

☑ (a) the later of attainment of age 70½ or termination of employment.

☐ (b) the date the Employee attains age 70½, even if the Employee is still employed with the Employer.

10-4 **HARDSHIP DISTRIBUTIONS.** Unless elected below, the hardship distribution provisions of the Plan do not apply with respect to primary beneficiaries. See Section 8.09(d)(3) of the Plan.

☑ Check this AA §10-4 to allow hardship distribution to be determined based on a hardship of a primary beneficiary (as permitted under Section 8.09(d)(3) of the Plan).

SECTION 11
MISCELLANEOUS PROVISIONS

11-1 **VALUATION DATES.** The Plan is valued annually, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
☑	☑	☑	(a) **Daily.** The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
☐	☐	☐	(b) **Monthly.** The Plan is valued at the end of each month of the Plan Year.
☐	☐	☐	(c) **Quarterly.** The Plan is valued at the end of each Plan Year quarter.
☐	☐	☐	(d) **Describe:** ____________________

[*Note: The Employer may elect operationally to perform interim valuations, provided such valuations do not result in discrimination in favor of Highly Compensated Employees.*]

11-2 **DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated (as defined in Section 1.57 of the Plan), the following rules apply:

☑ (a) The **Top-Paid Group Test** does not apply.

☐ (b) The **Top-Paid Group Test** applies.

☐ (c) The **Calendar Year Election** applies. [*This (c) may be chosen only if the Plan Year is not the calendar year. If this (c) is not selected, the determination of Highly Compensated Employees is based on the Plan Year. See Section 1.57(d) of the Plan.*]

11-3 **SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.03 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-3 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the Plan.

☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending ________________.

[*Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year, unless provided otherwise in (c) below.*]

☐ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Nonhighly Compensated Participant who terminates employment on account of becoming Disabled. (See Section 5.03(c)(7)(iv) of the Plan.)

☐ (c) **Special rules.** Instead of the default provisions under Section 5.03 of the Plan, the following rules apply:

____

11-4 **SPECIAL RULES FOR MORE THAN ONE PLAN.** If the Employer maintains another Defined Contribution Plan in which any Participant is a participant, the rules set forth under Section 5.03(b)(5) of the Plan apply.

To modify the default provisions under Section 5.03(b)(5) of the Plan, designate how such rules will apply.

☐ Instead of applying the default rules under Section 5.03(b)(5) of the Plan, the Employer will limit Annual Additions in the following manner: ____

11-5 **DELEGATION OF ADMINISTRATIVE FUNCTIONS.** Generally the Employer, as Plan Administrator, has responsibility to administer the Plan. These responsibilities include compliance with Code §403(b) and other tax requirements. However, the Employer may delegate such responsibilities to a third party, including a provider of an Annuity Contract or Custodial Account, provided such third party agrees to such delegation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants. (See Section 11.06 of the Plan.)

☐ The following special provisions apply with respect to the delegation of administrative responsibilities, including any insurance policies, custodial agreements or other documents that are incorporated into the Plan by reference:

____

11-6 **CONTRACT EXCHANGES AND PLAN-TO-PLAN TRANSFERS.** Unless otherwise indicated below, the Plan authorizes contract exchanges and plan-to-plan transfers.

☐ (a) **Contract exchanges.** The Plan does not authorize contract exchanges as described in Section 14.04 of the Plan.

☑ (b) **Plan-to-plan transfers.** The Plan does not authorize plan-to-plan transfers as described in Section 14.05 of the Plan.

11-7 **SPECIAL RULES APPLICABLE TO THIS PLAN.** The following rules apply to this Plan: This plan is not subject to ERISA.

© 2010 ASC Institute

APPENDIX A SPECIAL EFFECTIVE DATES

☑ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:
CNA nurses (effective January 1, 2006) and the CEO (effective September 9, 2008) are excluded from the employer match. All employees except CNA nurses are excluded from the employer discretionary contribution.

☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions Entry Date provisions specified in AA §4 are effective as follows:

☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

☐ A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:

☐ A-5 **Salary Deferrals.** The provisions regarding Salary Deferrals under AA §6A are effective as follows:

☐ A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

☐ A-7 **Safe Harbor Plan provisions.** The Safe Harbor Plan provisions under AA §6C effective as follows:

☐ A-8 **After-Tax Contributions.** The After-Tax Contribution provisions under AA §6D are effective as follows:

☐ A-9 **Retirement age.** The retirement age provisions under AA §7 are effective as follows:

☐ A-10 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:

☐ A-11 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

☐ A-12 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:

☐ A-13 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:

☐ A-14 **Special effective date provisions for merged plans.** If any retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply, except as follows:

☐ A-15 **Other special effective dates:**

APPENDIX B
LOAN POLICY

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

☑ (a) Yes.

☐ (b) No.

B-2 **LOAN PROCEDURES.**

☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.

☑ (b) Loans will be provided under a separate written loan policy. *[If this (b) is checked, do not complete the remainder of this Appendix B.]*

B-3 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to $10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-3.

☐ A Participant may take a loan equal to the greater of $10,000 or 50% of the Participant's vested Account Balance. *[If this AA §B-3 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]*

B-4 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

☐ (a) A Participant may have ____ loans outstanding at any time.

☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-5 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-5.

☐ (a) The prime interest rate

☐ (1) plus ____ percentage point(s).

☐ (b) Describe: ____

B-6 **MINIMUM LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than $1,000. To modify the minimum loan amount, complete (a) or (b) below.

☐ (a) There is no minimum loan amount.

☐ (b) The minimum loan amount is $_____.

B-7 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, complete (a) or (b) below.

☐ (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.10(d)(1)(i) of the Plan.

☐ (b) A Participant may only receive a Participant loan under the following circumstances: ____________________

B-8 **SOURCE OF LOAN.** The default loan policy under Section 13.09 of the Plan provides that Participant loans will be made first from Employer Contribution and Employer Matching Contributions Accounts and then from the Salary Deferral Account(s). To modify the default loan policy to modify the contribution sources from which a Participant loan is made, complete (a) or (b) below.

☐ (a) Participant loans will be made on a prorata basis from all contribution sources.

☐ (b) Participant loans will only be available from the following contribution sources: ____________________

© 2010 ASC Institute

APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without reexecuting this Agreement by substituting an updated Appendix C with new elections.

C-1 **DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.08(c) of the Plan.)

- ☐ (a) No
- ☑ (b) Yes
    - ☑ (1) Specify Accounts: All
    - ☐ (2) Check this selection if the Plan is intended to comply with **ERISA §404(c)**. (See Section 10.08(d) of the Plan.)

C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.07 of the Plan.)

- ☐ (a) No
- ☑ (b) Yes

C-3 **QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.06 of the Plan apply?

- ☑ (a) No
- ☐ (b) Yes

© 2010 ASC Institute

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

☐ (a) The adoption of a new plan, effective ______________________ [*insert Effective Date of Plan*].

☑ (b) The restatement of an existing plan, effective 1-1-2011 ______________________ [*insert Effective Date of Plan*].

(1) Name of Plan(s) being restated: West Contra Costa Health Care District Tax Deferred Retirement Investment Plan.

(2) The original effective date of the plan(s) being restated: 1-1-1994

☐ (c) An amendment of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.

(1) Identify the section(s) of the Adoption Agreement being amended: ______________________

(2) Effective Date(s) of such changes: ______________________

☐ (d) To identify a Successor Employer. Check this selection if a successor to the signatory Employer is continuing this Plan as a Successor Employer. Complete this Employer Signature Page and substitute a new page 1 under this Adoption Agreement to identify the Successor Employer. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.

(1) Effective Date of the amendment is: ______________________

[Note: It is recommended that the Employer consult with legal counsel before executing this Agreement.]

West Contra Costa Health Care District dba Doctors Medical Center
(Name of Employer)

Richard S. Reid — Acting CEO
(Name of authorized representative) *(Title)*

[signature] — 2-3-11
(Signature) *(Date)*

CUSTODIAN/INSURANCE COMPANY DECLARATION

Effective date of Declaration: 1-1-2011

Custodian/Insurance Company Signature. By signing this Declaration, the Custodian/Insurance Company agrees to the duties, responsibilities and liabilities imposed on the Custodian/Insurance Company by the BPD and this Agreement.

THIS PAGE IS FOR YOUR CONVENIENCE IN TRACKING VENDORS FOR YOUR PLAN
(Print name)

(Signature of authorized representative) *(Date)*

Lincoln National Life Insurance Company
(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

© 2010 ASC Institute

PARTICIPATING EMPLOYER ADOPTION PAGE

Check this selection and complete this page if a Participating Employer (other than the Employer that signs the Signature Page above) will participate under this Plan as a Participating Employer. [*Note: See Section 16 of the Plan for rules relating to the adoption of the Plan by a Participating Employer. If there is more than one Participating Employer, each one should execute a separate Participating Employer Adoption Page. Any reference to the "Employer" in this Adoption Agreement is also a reference to the Participating Employer, unless otherwise noted.*]

PARTICIPATING EMPLOYER INFORMATION:

Name: ____________________

Address: ____________________

City, State, Zip Code: ____________________

EMPLOYER IDENTIFICATION NUMBER (EIN): ____________________

TYPE OF ENTITY: ____________________

EFFECTIVE DATE:

New plan. The Participating Employer is adopting this Plan as a new Plan effective ____________________

Restated plan. The Participating Employer is adopting this Plan as a restatement of ____________________ [*insert name of Participating Employer's plan(s) being restated*].

(a) This restatement is effective ____________________

(b) The original effective date of the plan(s) being restated is: ____________________

ALLOCATION OF CONTRIBUTIONS. Any contributions made under this Plan (and any forfeitures relating to such contributions) will be allocated to all Participants of the Employer (including the Participating Employer identified on this Participating Employer Adoption Page).

To override this default provision, check below.

Check this box if contributions made by the Participating Employer signing this Participating Employer Adoption Page (and any forfeitures relating to such contributions) will be allocated only to Participants actually employed by the Participating Employer making the contribution. If this box is checked, Employees of the Participating Employer signing this Participating Employer Adoption Page will not share in an allocation of contributions (or forfeitures relating to such contributions) made by the Employer or any other Participating Employer. [*Note: The selection of this box may require additional testing of the Plan. See Section 16.04 of the Plan.*]

MODIFICATIONS TO ADOPTION AGREEMENT. The selections in the Adoption Agreement (including any special effective dates identified in Appendix A) will apply to the Participating Employer executing this Participating Employer Adoption Page., unless modified under this section.

(a) **Special Effective Dates.** Check this (a) if different special effective dates apply with respect to the Participating Employer signing this Participating Employer Adoption Page. Attach a separate Addendum to the Adoption Agreement entitled "Special Effective Dates for Participating Employer" and identify the special effective dates as they apply to such Participating Employer.

(b) **Modification of Adoption Agreement elections.** Page(s) _____ of the Agreement are being modified for this Participating Employer. The modified provisions are effective ____________________.
[*Note: Attach the modified pages as an addendum to this Participating Employer Adoption Page.*]

SIGNATURE. By signing this Participating Employer Adoption Page, the Participating Employer agrees to adopt (or to continue its participation in) the Plan identified on page 1 of this Agreement. The Participating Employer agrees to be bound by all provision of the Plan and Adoption Agreement as completed by the signatory Employer, unless specifically provided otherwise on this Participating Employer Adoption Page. The Participating Employer also agrees to be bound by any future amendments (including any amendments to terminate the Plan) as adopted by the signatory Employer.

____
(Name of Participating Employer)

____
(Name of authorized representative) *(Title)*

____
(Signature) *(Date)*

INTERIM AMENDMENT #1
AMENDMENTS TO COMPLY WITH THE HEART ACT, WRERA AND OTHER IRS GUIDANCE

This Section contains the elective provisions for implementing the interim amendments set forth in Appendix B of the Plan. The interim amendments and any elections under these elective provisions are effective as set forth in Appendix B of the Plan and supersede any contrary provisions under the Plan or Adoption Agreement. This Interim Amendment does not replace any prior amendments that were adopted to comply with the remedial amendment requirements applicable to these interim amendments. Thus, the date of adoption of any prior interim amendments will continue to control in determining the date as of which such amendments were first adopted to comply with these rules.

IA1-1 **HEART ACT PROVISIONS.**

(a) **Benefit Accruals.** The benefit accrual provisions under Section B-2.01(b) of the Plan do not apply. To apply the benefit accrual provisions under Section B-2.01(b) of the Plan, check the box below.

☐ **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section B-2.01(b) of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

(b) **Treatment of Differential Pay.** Section B-2.01(c) of the Plan provides that if an individual performing service in the Uniformed Services receives Differential Pay from the Employer, such Differential Pay is treated as Total Compensation under the Plan. In addition, unless designated otherwise below, Differential Pay will be treated as Plan Compensation for purposes of applying the contribution provisions under the Plan. To exclude Differential Pay from Plan Compensation, check the box below.

☐ **Definition of Plan Compensation.** Check this box if Differential Pay will be excluded from the definition of Plan Compensation. If this box is checked, no contribution under the Plan will be made with respect to Differential Pay.

IA1-2 **REQUIRED MINIMUM DISTRIBUTION.** For purposes of applying the Required Minimum Distribution rules for the 2009 Distribution Calendar Year, as described in Section B-2.02(a) of the Plan, a Participant (including an Alternate Payee or beneficiary of a deceased Participant) who is eligible to receive a Required Minimum Distribution for the 2009 Distribution Calendar Year may elect whether or not to receive the 2009 Required Minimum Distribution (or any portion of such distribution). If a Participant does not specifically elect to leave the 2009 Required Minimum Distribution in the Plan, such distribution will be made for the 2009 Distribution Calendar Year as set forth in Section B-2.02(a) o f the Plan.

☑ **No distribution.** If this box is checked, 2009 Required Minimum Distributions will not be made to Participants who are otherwise required to receive a Required Minimum Distribution for the 2009 Distribution Calendar Year under Section 8.11 of the Plan, unless the Participant elects to receive such distribution.

IA1-3 **PROVISIONS TO COMPLY WITH FINAL AUTOMATIC CONTRIBUTION REGULATIONS.**

~~(a) **Permissive Withdrawals under Eligible Automatic Contribution Arrangement.** Section 3.03(c)(2) of the Plan allows~~ a Participant to make a permissive withdrawal of amounts that are automatically contributed to the Plan, provided the Employee requests a withdrawal no later than 90 days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. To provide for a shorter period by which a Participant must elect a permissive withdrawal from the Plan, check the box below.

☐ **Time period for electing a permissive withdrawal.** Instead of a 90-day election period, a Participant must request a permissive withdrawal no later than ___ *[may not be less than 30 or more than 90]* days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

(b) **Effective date of automatic increase.** The automatic increase provisions under AA §6A-8(b) are generally effective as of the beginning of a Plan Year (as set forth in Section 3.03(c) of the Plan). The first automatic increase occurs as of the appropriate date within the second full Plan Year following the Plan Year in which automatic contributions begin under the Plan. To provide for the automatic increase as of a different date during the Plan Year, check the box below:

☐ (1) **Automatic increase during Plan Year.** Instead of becoming effective on the first day of the Plan Year, the automatic increase provisions under AA §6A-8(b) will be effective on ______ of each Plan Year.

☐ (2) **Timing of first automatic increase.** Instead of applying as of a date within the second full Plan Year following the Plan Year in which automatic contributions begin, the first automatic increase under AA §6A-8(b) will apply as of the appropriate date within the first full Plan Year following the date the automatic contributions begin under the Plan.

(c) **Treatment of Rehires.** In applying the provisions of AA §6A-8, a Participant who does not make automatic deferrals to the Plan for a full Plan Year will be treated as a new Employee if such Employee should recommence making automatic

© Copyright 2010

deferrals under the Plan. Thus, the Participant's automatic deferral percentage will be calculated as though the recommencement of automatic deferrals is the date the individual first began making automatic deferrals under the Plan. To override this provision, check the box below.

☐ **Recommencement of automatic deferrals treated as continuation from initial deferral date.** In applying the provisions of AA §6A-8, a Participant who does not make automatic deferrals to the Plan for a full Plan Year will not be treated as a new Employee if such Employee should recommence making automatic deferrals under the Plan. Thus, the Participant's automatic deferral percentage will continue to be calculated based on the date the individual first began making automatic deferrals under the Plan.

IA1-4 **APPLICATION OF AMENDMENT.** This amendment is hereby adopted on behalf of the Plan. The above amendment applies to the signatory Employer and any other adopting employers of the Plan. This amendment supersedes any contrary provisions under the Plan.

West Contra Costa Health Care District dba Doctors Medical Center
(Name of Employer)

RICHARD S. Reid — Acting CEO
(Name of Authorized Representative) — *(Title)*

Richard S Reid — 2-3-2011
(Signature) — *(Date)*

© Copyright 2010

ADDENDUM
SPECIAL EFFECTIVE DATES FOR PARTICIPATING EMPLOYER

© 2010 ASC Institute

West Contra Costa Health Care District dba Doctors Medical Center
403(b) PLAN
ADOPTION AGREEMENT

SECTION 1
EMPLOYER INFORMATION

REVISED PLAN

1-1 **EMPLOYER INFORMATION:**

Name: West Contra Costa Health Care District dba Doctors Medical Center

Address:

2000 Vale Road
San Pablo, CA 94806-3808

Telephone: 510-970-5000 Fax: N/A

1-2 **EMPLOYER IDENTIFICATION NUMBER (EIN):** 94-6003145

1-3 **TYPE OF EMPLOYER (optional):**

- ☐ (a) Public School (including elementary school, middle school, high school, college or university)
- ☐ (b) Tax exempt organization under IRC §501(c)(3)
- ☐ (c) Church (as defined in Section 1.20 of the Plan)
- ☐ (d) Church Related Organization (as defined in Section 1.22 of the Plan)
- ☑ (e) Tax exempt organization under IRC §501(c)(3) that is also part of a state government or political subdivision
- ☐ (f) Other: ______

1-4 **EMPLOYER'S TAX YEAR END:** The Employer's tax year ends December 31

1-5 **RELATED EMPLOYERS:** List any Related Employers (as defined in Section 1.94 of the Plan). A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan. The failure to cover the Employees of a Related Employer may result in a violation of the minimum coverage rules under Code §410(b).

______

[**Note:** The failure to list all Related Employers will not jeopardize the qualified status of the Plan.]

SECTION 2
PLAN INFORMATION

2-1 **PLAN NAME:** West Contra Costa Health Care District Tax Deferred Retirement Investment Plan

2-2 **TYPE OF PLAN:**

- ☐ (a) Custodial Account under Code §403(b)(7)
- ☐ (b) Annuity Contract under Code §403(b)(1)
- ☑ (c) Combination Custodial Account and Annuity Contract
- ☐ (d) Retirement Income Account
- ☐ (e) Other: ______

2-3 **PLAN YEAR:**

- ☑ (a) Calendar year.
- ☐ (b) The 12-consecutive month period ending on _____ each year.
- ☐ (c) Other: ______.

2-4 **FROZEN PLAN:** Check this AA §2-4 if the Plan is a frozen Plan to which no contributions will be made.

- ☐ This Plan is a frozen Plan effective _____.

SECTION 3
ELIGIBLE EMPLOYEES

3-1 **ELIGIBLE EMPLOYEES:** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. (See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

Deferral	Match	ER	
☐	☐	☐	(a) No exclusions.
N/A	☐	☐	(b) Collectively Bargained Employees.
☐	☐	☐	(c) Nonresident aliens who receive no compensation from the Employer which constitutes U.S. source income.
☐	☐	☐	(d) Student Employees (as defined in Section 1.110 of the Plan).
☐	☐	☐	(e) Employees who normally work less than ____ (not more than 20) hours a week. (See Section 2.02(b)(5) of the Plan, especially for the application of this exclusion to plans covered by Title I of ERISA.)
N/A	☐	☐	(f) Highly Compensated Employees.
☐	N/A	N/A	(g) Employees eligible for a Code §457(b) plan (see Section 2.02(b)(6) of the Plan).
☐	N/A	N/A	(h) Employees eligible for a 401(k) or another 403(b) plan sponsored by the Employer (see Section 2.02(b)(6) of the Plan).
☑	N/A	N/A	(i) Employees whose contribution would be $200 or less (see Section 2.02(b)(6) of the Plan).
☐	☑	☑	(j) Other: Employees who are paid on a per-diem basis/non-benefit status condition of employment. Individuals who become Employees as a result of an asset or stock acquisition, merger, or other similar transaction are excluded during the period beginning on the date of the transaction and ending on the last day of the first Plan Year beginning after the date of the transaction.

[Note: Unless designated otherwise under subsection (j), any selection(s) in the Deferral column also apply to Roth Deferrals, After-Tax Contributions, and Safe Harbor Contributions; any selection(s) in the Match column also apply to QMACs; and any selection(s) in the ER column also apply to QNECs.]

SECTION 4
MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE:** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below). [Note that **an Eligible Employee becomes eligible to make Salary Deferrals on such Employee's first day of employment with the Employer.** See the Plan for the application of the minimum age and service conditions to After-Tax Employee Contributions and the application of the minimum age and service conditions to Safe Harbor Contributions.]

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Match	ER	
☐	☐	(1) There is no minimum service requirement for participation in the Plan.
☐	☑	(2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).

Match	ER	
☐	☐	(3) The completion of __ *[cannot exceed* 12] consecutive full calendar months of employment during which the Employee is credited with at least ___ *[cannot exceed 1,000]* Hours of Service or the completion of a Year of Service. *[If no minimum Hours of Service are required, insert one (1) in the second blank line.]*
☐	☐	(4) The completion of ___ *[cannot exceed 1,000]* Hours of Service during an Eligibility Computation Period. *[If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.]*
☐	☐	(5) Two (2) Years of Service. *[Full and immediate vesting must be chosen under AA §8.]*
☑	☐	(6) Under the Elapsed Time method. See AA §4-3(c) below.
☐	☐	(7) Describe eligibility conditions: ________________________

[Note: Any conditions provided under (7) must be described in a manner that precludes Employer discretion, must satisfy the nondiscrimination requirements of §1.401(a)(4) of the regulations, and may not cause the Plan to violate the provisions of Code §410(a).]

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

Match	ER	
☑	☑	(1) There is no minimum age for Plan eligibility.
☐	☐	(2) Age 21.
☐	☐	(3) Age 20½.
☐	☐	(4) Age ___ (not later than age 21, but if an educational organization described in Code §170(b)(1)(A)(ii), not later than age 26).

4-2 **ENTRY DATE:** An Eligible Employee who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2. *[Note: If any of (b) – (g) is completed for a contribution source, also complete one of (h) – (k) for the same contribution source.]*

Match	ER	
☑	☑	(a) **Immediate.** The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
☐	☐	(b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.
☐	☐	(c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
☐	☐	(d) **Monthly.** The first day of each calendar month.
☐	☐	(e) **Payroll period.** The first day of the payroll period.
☐	☐	(f) **The first day of the Plan Year.** *[If this (f) is checked, see Section 2.03(b)(2) of the Plan for special rules that apply.]*

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

Match	ER	
☐	☐	(g) **next following** satisfaction of the minimum age and service requirements.
☐	☐	(h) **coinciding with or next following** satisfaction of the minimum age and service requirements.
☐	☐	(i) **nearest** the satisfaction of the minimum age and service requirements.
☐	☐	(j) **preceding** the satisfaction of the minimum age and service requirements.

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.59 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the Plan).
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. (See Section 2.07 of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

Match **ER**

☐ ☐ (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ *[must be less than 1,000]* Hours of Service during an Eligibility Computation Period.

☐ ☐ (b) **Eligibility Computation Period (ECP).** The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years.

☑ ☐ (c) **Elapsed Time method.** *[Check the same contribution source as checked in AA §4-1(a)(6) above.]* Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a 90 day___ *[not to exceed 24 month]* period of service to participate in the Plan. (See Section 2.03(a)(5) of the Plan.)

[Note: If a period greater than 12 months applies to either Matching Contributions or Employer Contributions, 100% vesting must be selected under AA §8 for those contributions.]

☐ ☐ (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the Plan). The Equivalency Method will apply to:

☐ (1) All Employees.
☐ (2) Employees who are not paid on an hourly basis. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method.

☐ (3) **Monthly.** 190 Hours of Service for each month worked.
☐ (4) **Daily.** 10 Hours of Service for each day worked.
☐ (5) **Weekly.** 45 Hours of Service for each week worked.
☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked.

☑ ☑ (e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules. (See Section 2.07(b) of the Plan)

☐ ☐ (f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.

☑ ☑ (g) **Special eligibility provisions.** The following special eligibility provisions apply:

Notwithstanding the above, the Employee's Entry Date is the day following the satisfaction of the minimum service requirement.

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Match	ER		
☐	☐	(a)	**Automatic Eligibility.** An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to any minimum age and/or service conditions:
			☐ (1) the Effective Date of this Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable)
			☐ (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page)
			☐ (3) _____ *[insert date]*
☐	☐	(b)	**Describe** other effective date provisions: ________________________________

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility, vesting and for purposes of applying any allocation conditions under AA §6-6 and AA §6B-7.

In addition, service with the following Predecessor Employers also will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under (b) below. (See Sections 2.06, 3.09 and 7.06 of the Plan.)

☑ (a) Identify Predecessor Employer(s):

- Tenet Healthcare

[Note: If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility.]

☐ (b) The following special rules apply: ________________________________

[Use this (b) to impose limits on the service that will be taken into account with a Predecessor Employer for determining eligibility, vesting and allocation conditions. For example, if service with a Predecessor Employer will not be taken into account in the same manner in applying eligibility, vesting and allocation conditions, the limits applicable to such service may be identified in (b). Any limits imposed under this (b) may not cause the Plan to violate the nondiscrimination requirements under Treas. Reg. §1.401(a)(4).]

SECTION 5
COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.114 of the Plan for a specific definition of the various types of Total Compensation.

☐ (a) W-2 Wages

☐ (b) Code §415 Compensation.

☑ (c) Wages under Code §3401(a).

[For purposes of determining Total Compensation, each definition includes Elective Deferrals, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

© 2010 ASC Institute

5-2 **POST-SEVERANCE COMPENSATION.**

(a) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation (as defined in Section 1.114 of the Plan) includes post-severance compensation, to the extent provided in Section 1.114(b) of the Plan. For this purpose, severance pay is always excluded from the definition of Total Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the Limitation Year that includes such date of severance from employment is included in Total Compensation, unless excluded under this subsection (a). See Section 1.114(b) of the Plan.

The following amounts paid after a Participant's severance from employment are excluded from Total Compensation.

☑ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.

☑ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[Note: Plan Compensation (as defined in Section 1.80 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(k).]

(b) **Continuation payments for military service and disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for military service and disabled Participants. To count Total Compensation paid after severance of employment on account of military service and/or disability, check the appropriate selections under this subsection (b).

☐ (1) **Payments for military service.** Total Compensation includes amounts paid to an individual who does not currently perform services for the Employer by reason of qualified military service to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. See Section 1.114(c)(1) of the Plan.

☐ (2) **Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.114(c)(2) of the Plan. For this purpose, disability continuation payments will be included for:

☐ (i) Nonhighly Compensated Employees only

☐ (ii) All Participants who are permanently and totally disabled for a fixed or determinable period

(c) **Few weeks rule.** The few weeks rule (as described in Section 5.03(c)(7)(iii) of the Plan) will not apply unless designated otherwise under this subsection (c).

☐ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year. See Section 5.03(c)(7)(iii) of the Plan.

5-3 **PLAN COMPENSATION**: Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Match	ER	
☑	☑	(a) No exclusions.
☐	☐	(b) Elective Deferrals (as defined in Section 1.40 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
☐	☐	(c) All fringe benefits, expense reimbursements, deferred compensation, and welfare benefits are excluded.
☐	☐	(d) Compensation above $ ___ is excluded.
☐	☐	(e) Amounts received as a bonus are excluded.
☐	☐	(f) Amounts received as commissions are excluded.
☐	☐	(g) Overtime payments are excluded.

Match	ER	
☐	☐	(h) Amounts received for services performed for a non-signatory Related Employer are excluded.
☐	☐	(i) "Deemed §125 compensation" as defined in Section 1.114 of the Plan.
☐	☐	(j) Amounts received after severance from employment are excluded. (See Section 1.114(b) of the Plan.)
☐	☐	(k) Describe adjustments to Plan Compensation: ________________________________

[*Note: See AA §6C-3(c) for special rules that apply for purposes of applying the Safe Harbor provisions under AA §6C.*]

5-4 PERIOD FOR DETERMINING COMPENSATION.

(a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. [*If (2), (3) or (4) is checked for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated below.*]

Match	ER	
☑	☑	(1) The Plan Year.
☐	☐	(2) The calendar year ending in the Plan Year.
☐	☐	(3) The Employer's fiscal tax year ending in the Plan Year.
☐	☐	(4) The 12-month period ending on _____ which ends during the Plan Year.

(b) **Compensation while a Participant.** In determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below.

Match	ER	
☐	☐	All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

SECTION 6
EMPLOYER CONTRIBUTIONS

6-1 EMPLOYER CONTRIBUTIONS. Is the Employer authorized to make Employer Contributions and/or Qualified Nonelective Contributions (QNECs) under the Plan?

☑ Yes

☐ No [*If No, skip to Section 6A.*]

6-2 EMPLOYER CONTRIBUTION FORMULAS. For the period designated in AA §6-5 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3 or AA §6-4, as applicable.

☑ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.

☐ (b) **Fixed contribution.**

- ☐ (1) ___% of each Participant's Plan Compensation.
- ☐ (2) $___ for each Participant.

☐ (c) **Service-based contribution.** The Employer will make:

- ☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.
- ☐ (2) **Fixed percentage.** ___% of Plan Compensation paid for each period of service designated below.
- ☐ (3) **Fixed dollar.** $___ for each period of service designated below.

The service-based contribution selected under this (c) will be based on the following periods of service:

☐ (4) Each Hour of Service

☐ (5) Each week of employment

☐ (6) Describe period: ______________________________

[Note: Any period described in subsection (6) cannot exceed a 12-month period.]

6-3 ALLOCATION FORMULA.

☐ (a) **Pro rata allocation.** The Employer Contribution under AA §6-2 will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount. If a fixed Employer Contribution is selected in AA §6-2(b), the Employer Contribution will be allocated in accordance with the selections made in AA §6-2(b). If both a discretionary and fixed Employer Contribution is selected in AA §6-2, this subsection (a) may be selected for both contribution formulas.

☐ (b) **New comparability allocation.** The Employer may make a separate discretionary Employer Contribution (as authorized under AA §6-2(a) above) to the Participants in the following allocation groups. Any amounts allocated to an allocation group will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount to all Participants within that allocation group. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.

☐ (1) A separate discretionary Employer Contribution will be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).

☐ (2) A separate discretionary Employer Contribution will be made to the following allocation groups:

☐ (i) **Group 1:** ______________________________

☐ (ii) **Group 2:** ______________________________

☐ (iii) **Group 3:** ______________________________

☐ (iv) **Group 4:** ______________________________

☐ (v) **Group 5:** ______________________________

[Note: The allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii). See Section 3.02(a)(1)(ii)(B)(IV) of the Plan for restrictions that apply with respect to "short-service" Employees.]

☐ (3) **Special rules.** The following special rules apply to the new comparability allocation formula described in this AA §6-3(e).

☐ (i) **Family Members.** In determining the separate groups under (2) above, Family Members (as defined in Section 3.02(a)(1)(ii)(B)(I) of the Plan) of a Five Percent Owner are always in a separate allocation group.

☐ (ii) **Benefiting Participants who do not receive Minimum Gateway Contribution.** In determining the separate groups under (2) above, Benefiting Participants who do not receive a Minimum Gateway Contribution are always in a separate allocation group. (See Section 3.02(a)(1)(ii)(B)(III) of the Plan.)

☐ (c) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 3.02(a)(1)(iii)(B) of the Plan).

Unless designated otherwise below, a Participant's Actuarial Factor is determined based on a designated interest rate of 8.5% and a UP-1984 mortality table.

☐ **Alternative interest rate and/or mortality table:** ______________________________

[Note: See Exhibit A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Any alternative interest or mortality factors must meet the requirements for standard interest and mortality assumptions as defined in Treas. Reg. §1.401(a)-12.]

☐ (d) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2(c) will be allocated in accordance with the selections made in AA §6-2(c).

☑ (e) **Other allocation method:** The employer contribution will be given each year based on the current Collective Bargaining Agreement schedule.

6-4 **QUALIFIED NONELECTIVE CONTRIBUTIONS (QNECs).** For any Plan Year, the Employer may make a discretionary QNEC to the Plan. Such QNEC will be allocated as a uniform percentage of Plan Compensation to all Nonhighly Compensated Participants, without regard to the allocation conditions selected in AA §6-6 below.

To modify these default allocation provisions, complete the applicable provision under this AA §6-4.

☐ (a) **All Participants.** Any QNEC made pursuant to this AA §6-4 will be allocated to all Participants, including Highly Compensated Participants.

☐ (b) **Targeted QNECs.** The QNEC will be allocated to Nonhighly Compensated Employees in accordance with the Targeted QNEC allocation formula under Section 3.02(b)(2)(ii) of the Plan. For this purpose, a Targeted QNEC may be allocated as a percentage of Plan Compensation or as a uniform dollar amount.

6-5 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-5.

☐ (a) **Period for determining Employer Contributions.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation earned during the Plan Year.

Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation earned during the following period:

☐ (1) Plan Year quarter. ☐ (2) calendar month.

☐ (3) payroll period. ☐ (4) Other: ______________________

[*Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this subsection (a). Any alternative period designated under subsection (4) may not exceed a 12-month period and will apply uniformly to all Participants.*]

☐ (b) **Contributions for former Employees.** If this (b) is elected, the Employer will continue to make Employer Contributions on behalf of a former Employee as provided in Section 3.01(c) of the Plan.

☐ (c) **Special rules.** The following special provisions apply: ______________________

6-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. [*Note: The allocation conditions under this AA §6-6 do not apply to Safe Harbor Employer Contributions.*]

☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:

☐ (1) ____ (not to exceed 500) Hours of Service during the Plan Year.

☐ (2) ____ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

☑ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☑ (d) **Minimum service condition.** An Employee must be credited with at least:

☑ (1) 1000 ___ Hours of Service (not to exceed 1,000) during the Plan Year.

☐ (2) ____ (not more than 182) consecutive days of employment with the Employer during the Plan Year.

☑ (e) **Exceptions.** The above allocation condition(s) will **not** apply if the Employee:

☑ (1) dies during the Plan Year.

☑ (2) terminates employment as a result of a Disability.

☑ (3) terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.

☑ (4) terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

SECTION 6A
SALARY DEFERRALS

6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

☐ (a) **Yes.** This is a Salary Deferral only Plan. The Employer will make no other contributions to the Plan. [Note: If certain conditions are satisfied, this Plan is not subject to ERISA.]

☑ (b) **Yes.** This Plan permits Salary Deferrals and other Employer Contributions. [Note: This Plan, unless otherwise exempt as a Governmental Plan or Church Plan, is subject to ERISA.]

☐ (c) **No.** [*If "No" is checked, skip to Section 6B.*]

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** A Participant may defer an amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation. See Sections 5.02 and 5.03 of the Plan.

6A-3 **MINIMUM DEFERRAL RATE.** There is no minimum deferral rate applicable to Salary Deferrals under the Plan.

6A-4 **AGE 50 CATCH-UP CONTRIBUTIONS.** The following provisions apply with respect to Age 50 Catch-Up Contributions (as defined in Section 3.03(d) of the Plan).

☑ (a) Age 50 Catch-Up Contributions are permitted under the Plan.

☑ (1) Age 50 Catch-Up Contributions are eligible for any Matching Contributions under the Plan.

☐ (2) Age 50 Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).

☐ (b) Age 50 Catch-Up Contributions are **not** permitted under the Plan.

6A-5 **SPECIAL CATCH-UP CONTRIBUTIONS FOR QUALIFIED EMPLOYEES OF QUALIFIED ORGANIZATIONS.** The following provisions apply with respect to Special Catch-Up Contributions (as defined in Section 3.03(e) of the Plan).

☑ (a) Special Catch-Up Contributions are permitted under the Plan.

☑ (1) Special Catch-Up Contributions are eligible for any Matching Contributions under the Plan.

☐ (2) Special Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).

☐ (b) Special Catch-Up Contributions are **not** permitted under the Plan.

[*Note: Special Catch-Up Contributions are only available to qualified Employees of Qualified Organizations. See Section 3.03(e) of the Plan.*]

6A-6 **ROTH DEFERRALS.** The following provisions apply with respect to Roth Deferrals (as defined in Section 3.03(g) of the Plan).

Availability of Roth Deferrals.

☐ (a) Roth Deferrals are permitted under the Plan. [*Note: If Roth Deferrals are effective as of a date other than the Effective Date of the Plan, designate such special Effective Date in AA §6A-9(c) below.*]

☐ (1) Roth Deferrals are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).

☐ (2) Only Roth Deferrals are eligible for any Matching Contributions under the Plan (i.e., Pre-Tax Deferrals are not eligible for Matching Contributions (other than Safe Harbor Matching Contributions)).

[*If neither (1) nor (2) is selected, all Salary Deferrals are eligible for Matching Contributions.*]

☑ (b) Roth Deferrals are **not** permitted under the Plan.

Distribution of Roth Deferrals. To the extent a Participant takes a distribution or withdrawal from his/her deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (See Section 8.10(b)(2) of the Plan for default distribution rules if a Participant fails to designate the appropriate Account for corrective distributions from the Plan.)

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

☐ (c) **Distributions and withdrawals.**

☐ (1) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.

☐ (2) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.

☐ (3) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

☐ (d) **Corrective distributions of Excess Deferrals, Excess Annual Additions under Code §415, or Excess Aggregate Contributions.**

☐ (1) Corrective distributions will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.

☐ (2) Corrective distributions will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.

☐ (3) Corrective distributions will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

6A-7 **CHANGE OR REVOCATION OF DEFERRAL ELECTION:** In addition to the Participant's Entry Date under the Plan, a Participant may change, revoke or resume a Deferral Election (on a prospective basis) as of the dates designated under the Salary Deferral Agreement or other written procedures adopted by the Plan Administrator.

6A-8 **AUTOMATIC DEFERRAL ELECTION.** No automatic deferral election applies under Section 3.03(c) of the Plan.

To provide for an automatic deferral election, complete this AA §6A-8.

☐ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), an Eligible Participant will be deemed to have entered into a Salary Deferral Election with a ___% of Total Compensation deferral election for each payroll period, unless the Participant makes a contrary Salary Reduction Agreement. Unless designated otherwise by the Participant, any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals.

☐ (b) **Automatic increase.** If elected under this subsection (b), the automatic deferral amount set forth in subsection (a) will increase each Plan Year by the following percentage:

☐ (1) ___% of Total Compensation

but not in excess of

☐ (2) ___% of Total Compensation

☐ (c) **Application of automatic deferral provisions.** This automatic deferral election will apply to:

☐ (1) all Participants who have not entered into a Salary Reduction Agreement (including an election not to defer under the Plan).

☐ (2) all Participants who have not entered into a Salary Reduction Agreement as of_____ that is at least equal to the automatic deferral amount under subsection (a).

☐ (3) only Employees who become Participants on or after _____ and who do not enter into a contrary Salary Reduction Agreement (including an election not to defer under the Plan).

☐ (d) **Permissible withdrawals under Eligible Automatic Contribution Arrangements.** If the Plan provides for an automatic deferral election under this AA §6A-8 and the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c)(1) of the Plan), any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of Section 3.03(c)(2) of the Plan.

[*Note: If this subsection (d) is not checked, the permissible withdrawal provisions under Section 3.03(c)(2) of the Plan are not available.*]

6A-9 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-9, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the Plan.)

☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:

☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).

☐ (2) _____ (insert date).

☐ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-6 are effective as of _____. *[If this (b) is not checked and Roth Deferrals are permitted under AA §6A-6 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9).]*

☐ (c) **Automatic deferral provisions.** The automatic deferral provisions under AA §6A-8 are effective as of _____. *[If this (c) is not checked and the Plan applies an automatic deferral election under AA §6A-8, such automatic deferral provisions are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9).]*

6A-10 **SPECIAL RULES APPLICABLE TO SALARY DEFERRAL.** The following special rules apply to Salary Deferrals:

____

SECTION 6B
MATCHING CONTRIBUTIONS

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions and/or Qualified Matching Contributions (QMACs) under the Plan?

☑ **Yes.** *[Check this box if Matching Contributions may be made under the Plan, including Matching Contributions that satisfy the ACP safe harbor (i.e., Matching Contributions that are made in addition to the Safe Harbor Contributions required to satisfy the ADP safe harbor under AA §6C-2(a)).]*

☐ **No.** *[Check this box if there are no Matching Contributions or the only Matching Contributions are Safe Harbor Matching Contributions that satisfy the ADP safe harbor under AA §6C-2(a). If "No" is checked, skip to Section 6C.]*

6B-2 **MATCHING CONTRIBUTION FORMULAS:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-7 below. *[If the Plan provides for After-Tax Contributions, see AA §6D to determine the application of the Matching Contribution formulas to After-Tax Contributions.]*

☑ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount can be determined either as a uniform percentage of deferrals or as a flat dollar amount for each Participant.

☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:

☐ (1) ___% of Salary Deferrals made for each period designated in AA §6B-5 below.

☐ (2) $___ for each period designated in AA §6B-5 below.

© 2010 ASC Institute

☐ (c) **Tiered match.** The Employer will make a Matching Contribution to all Participants based on the following tiers of Salary Deferrals.

Salary Deferrals *(% of Plan Compensation or dollar amount)*	**Match %**
☐ (1) Salary Deferrals up to first __% or $ ___	________%
☐ (2) Salary Deferrals up to __% or $ ___	________%
☐ (3) Salary Deferrals up to __% or $ ___	________%
☐ (4) Salary Deferrals up to __% or $ ___	________%

[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]

☐ (d) **Discretionary tiered match.** The Employer will make a discretionary Matching Contribution to all Participants based on the following tiers of Salary Deferrals. The Employer may determine the amount of Matching Contribution to be made with respect to each tier of Salary Deferrals.

Salary Deferrals *(% of Plan Compensation or dollar amount)*
☐ (1) Salary Deferrals up to first __% or $ ___
☐ (2) Salary Deferrals up to __% or $___
☐ (3) Salary Deferrals up to __% or $ ___
☐ (4) Salary Deferrals up to __% or $ ___

[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]

☐ (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	**Matching Percentage**
☐ (1) Up to ____ YOS	_______%
☐ (2) Up to ____ YOS	_______%
☐ (3) Up to ____ YOS	_______%
☐ (4) YOS above _______	_______%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: ____

[Note: Each separate rate of Matching Contribution must satisfy the nondiscrimination requirements under Treas. Reg. §1.401(a)(4)-4 as a separate benefit, right or feature.]

6B-3 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, the following limits apply.

☑ (a) **No limits apply.** All Salary Deferrals are eligible for Matching Contributions.

☐ (b) **Limit on Salary Deferrals.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Salary Deferrals that do not exceed:

☐ (1) ___% of Plan Compensation.

☐ (2) $___.

☐ (3) A discretionary amount determined by the Employer.

☐ (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:

☐ (1) ___% of Plan Compensation.

☐ (2) $___.

[*Note: If a Matching Contribution is designed to satisfy the ACP safe harbor (as described in Section 6.04 of the Plan), subsection (b)(1) above must be completed with no more than a 6% of Plan Compensation deferral limit. In addition, if the Matching Contribution is a discretionary formula, to satisfy the ACP safe harbor, subsection (c)(1) above also must be completed with no more than a 4% of Plan Compensation total match limit.*]

6B-4 **QUALIFIED MATCHING CONTRIBUTIONS (QMACs):** For any Plan Year, the Employer may make a discretionary QMAC to the Plan to correct a failed ACP Test. Such QMAC will be allocated as a uniform percentage of each Nonhighly Compensated Participant's Salary Deferrals made during the Plan Year, without regard to any allocation conditions selected under AA §6B-7. (See Section 3.04(d) of the Plan.)

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-3) are based on Salary Deferrals for the **Plan Year.** To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-3, check one of (a) – (d) below.

☑ (a) payroll period.

☐ (b) Plan Year quarter.

☐ (c) calendar month.

☐ (d) Other: ____________________

[*Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6B-5. See Section 3.04(c) of the Plan for a discussion of the "true up" requirements applicable to Matching Contributions.*]

6B-6 **ACP TESTING.** (See Section 6.02 of the Plan.)

(a) **ACP Testing Method.** The ACP Test will be performed using the following testing method: (See Section 6.02(a)(2) of the Plan.)

☑ (1) The Plan will use the **Current Year Method** in running the ACP Test.

☐ (2) The Plan will use the **Prior Year Method** in running the ACP Test.

[*Note: If the Plan is intended to be a Safe Harbor Plan (as designated in AA §6C below), the Plan **must** use the Current Year Method.*]

(b) **Special rule for first Plan Year.** If this is a new Plan, the testing method selected in subsection (a) above applies for purposes of applying the ACP Test for the first Plan Year of the Plan, unless designated otherwise under this subsection (b). If the Prior Year Testing Method applies, the ACP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%. (See Section 6.02(a)(3) of the Plan.)

☐ (1) **Instead of the Prior Year Method** selected under subsection (a)(2) above, the Plan will use the Current Year Method for the first Plan Year for which the Plan is effective.

☐ (2) **Instead of the Current Year Method** selected under subsection (a)(1) above, the Plan will use the Prior Year Method for the first Plan Year for which the Plan is effective.

6B-7 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive a Matching Contribution, must satisfy any allocation conditions designated under this AA §6B-7 to receive an allocation of Matching Contributions under the Plan. [*Note: The allocation conditions under this AA §6B-7 do not apply to Safe Harbor Matching Contributions under AA §6C or QMACs under AA §6B-4, unless provided otherwise under those specific sections. Administrative problems may occur if Matching Contributions are actually made to the Plan prior to the completion of any allocation conditions under this AA §6B-7. See Section 3.08 of the Plan.*]

☑ (a) **No allocation conditions** apply with respect to Matching Contributions under the Plan.

☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:

☐ (1) ___ (not to exceed 500) Hours of Service during the Plan Year.

☐ (2) ___ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

☐ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☐ (d) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) ___ Hours of Service (not to exceed 1,000) during the Plan Year.

☐ (2) ___ (not more than 182) consecutive days of employment with the Employer during the Plan Year.

☐ (e) **Exceptions.** The above allocation condition(s) will **not** apply:

☐ (1) if the Employee dies during the Plan Year.

☐ (2) if the Employee terminates employment as a result of a Disability.

☐ (3) if the Employee terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.

☐ (4) if the Employee terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

6B-8 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: ______________________________

SECTION 6C
SAFE HARBOR CONTRIBUTIONS

6C-1 **SAFE HARBOR PLAN.** Is the Plan intended to be a Safe Harbor Plan?

☐ Yes

☑ No *[If "No" is checked, skip to Section 6D.]*

6C-2 **SAFE HARBOR CONTRIBUTION.** To qualify as a Safe Harbor Plan, the Employer must make a Safe Harbor Matching Contribution or Safe Harbor Employer Contribution. The Safe Harbor Contribution elected under this AA §6C-2 will be in addition to any Employer Contribution or Matching Contribution elected in AA §6 or AA §6B above.

☐ (a) **Safe Harbor Matching Contribution.**

(1) **Safe Harbor Matching Contribution formula.**

☐ (i) **Basic match:** 100% of Salary Deferrals up to the first 3% of Plan Compensation, plus 50% of Salary Deferrals up to the next 2% of Plan Compensation.

☐ (ii) **Enhanced match:** ___% (not less than 100%) of Salary Deferrals up to ___% (not less than 4% and not more than 6%) of Plan Compensation.

☐ (iii) **Tiered match:** _______% of Salary Deferrals up to the first ___% of Plan Compensation,

☐ (A) plus ___% of Salary Deferrals up to the next ___% of Plan Compensation,

☐ (B) plus ___% of Salary Deferrals up to the next ___% of Plan Compensation.

[Note: The tiered match may not provide for a greater level of match at higher levels of Salary Deferrals and the total amount of Salary Deferrals eligible for a match may not exceed 6% of Plan Compensation.]

(2) **Period for determining Safe Harbor Matching Contributions.** The Safe Harbor Matching Contribution formula selected in (1) above is based on Salary Deferrals for the following period:

☐ (i) Plan Year.

☐ (ii) payroll period.

☐ (iii) Plan Year quarter.

☐ (iv) calendar month.

☐ (v) Other: ______________________________

☐ (b) **Safe Harbor Employer Contribution:** _% (not less than 3%) of Plan Compensation.

☐ (1) **Supplemental Safe Harbor notice.** Check this selection if the Employer will make the Safe Harbor Employer Contribution pursuant to a supplemental notice, as described in Section 6.04(a)(4)(iii) of the Plan.

[Note: If this (1) is checked, the Safe Harbor Employer Contribution described above will be required for a Plan Year only if the Employer provides a supplemental notice (as described in Section 6.04(a)(4)(iii) of the Plan). If the Employer properly provides the Safe Harbor notice but does not provide a supplemental notice, the Employer need not provide the Safe Harbor Employer Contribution described above. In such a case, the Plan will not qualify as a Safe Harbor Plan for that Plan Year and will be subject to ACP testing, as applicable.]

☐ (2) **Other plan.** Check this selection if the Safe Harbor Employer Contribution will be made under another plan maintained by the Employer and identify the plan:

____

6C-3 **ELIGIBILITY FOR SAFE HARBOR CONTRIBUTION.** The Safe Harbor Contribution selected in AA §6C-2 above will be allocated to all Participants who are eligible to make Salary Deferrals under the Plan, unless designated otherwise under this AA §6-3.

☐ (a) **Eligible Employees.** Instead of being allocated to all eligible Participants, the Safe Harbor Contribution will be allocated only to:

☐ (1) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan (see AA §4-1).

☐ (2) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan and any Highly Compensated Non-Key Employees who are eligible to make Salary Deferrals under the Plan (see AA §4-1).

☐ (b) **Eligibility conditions.** Instead of using the eligibility conditions applicable to Salary Deferrals under AA §4-1, the following eligibility conditions apply for Safe Harbor Contributions:

☐ (1) One Year of Service and age 21 with semi-annual Entry Dates.

☐ (2) The eligibility conditions applicable to Matching Contributions (as selected in AA §4-1).

☐ (3) The eligibility conditions applicable to Employer Contributions (as selected in AA §4-1).

☐ (c) **Describe** special conditions for determining Safe Harbor Contributions: ______________________________

6C-4 **DELAYED EFFECTIVE DATE.** The Safe Harbor provisions under this AA §6C are effective as of the Effective Date of the Plan, as designated in the Employer Signature Page. To provide for a delayed effective date for the Safe Harbor provisions, check this AA §6C-4.

☐ The Safe Harbor provisions under this AA §6C are effective beginning _____. Prior to this delayed effective date, the provisions of this AA §6C do not apply. Thus, prior to the delayed effective date, the Employer is not obligated to make a Safe Harbor Contribution and the Plan is subject to ACP Testing, to the extent applicable.

SECTION 6D
AFTER-TAX CONTRIBUTIONS

6D-1 **AFTER-TAX CONTRIBUTIONS.** Are Employees permitted to make After-Tax Contributions under the Plan?

☐ Yes

☑ No *[If "No" is checked, skip to Section 7.]*

6D-2 **LIMITS ON AFTER-TAX CONTRIBUTIONS.** A Participant may contribute any amount as After-Tax Contributions up to the Code §415 Limitation (as defined in Section 5.03 of the Plan).

6D-3 **ELIGIBILITY FOR MATCHING CONTRIBUTIONS.** If the Plan provides for Matching Contributions under AA §6B or Safe Harbor Matching Contributions under AA §6C, such matching contributions will apply to After-Tax Contributions made pursuant to this AA §6D, unless limited under AA 6D-4 below.

6D-4 **SPECIAL RULES.** The following special rules apply with respect to After-Tax Contributions: ______________________________

6D-5 MANDATORY AFTER-TAX CONTRIBUTIONS.

☐ (a) Employees are required to make Mandatory After-Tax Contributions in order to participate under the Plan in the following amount:

☐ (1) _____% of each Employee's Total Compensation.

☐ (2) $_____ for each Participant.

☐ (3) Describe rate or amount: ________________________________

☐ (b) Special rules applicable to Mandatory After-Tax Contributions: ________________________________

SECTION 7
RETIREMENT AGES

7-1 NORMAL RETIREMENT AGE: Normal Retirement Age under the Plan is:

☑ (a) Age 59 1/2 (not to exceed 65).

☐ (b) The later of (1) age ____ (not to exceed 65) or (2) the ____ (not to exceed 5th) anniversary of the date the Employee commenced participation in the Plan.

☐ (c) ________________________________ (may not be later than the maximum age permitted under subsection (b)).

7-2 EARLY RETIREMENT AGE:

☐ (a) There is no Early Retirement Age under the Plan.

☑ (b) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:

☑ (1) Attainment of age 55

☐ (2) The ____ anniversary of the date the Employee commenced participation in the Plan, and/or

☐ (3) The completion of ____ Years of Service, determined as follows:

☐ (i) Same as for eligibility.

☐ (ii) Same as for vesting.

SECTION 8
VESTING AND FORFEITURES

8-1 CONTRIBUTIONS SUBJECT TO VESTING. Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

☑ Yes

☐ No [*If "No" is checked, skip to Section 9. See Section 7.11(a) of the Plan for default forfeiture rules.*]

8-2 VESTING SCHEDULE. The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02(a) of the Plan for a description of the various vesting schedules under this AA §8-2. [*Note: Any Safe Harbor Employer Contributions or Safe Harbor Matching Contributions under AA §6C and any QNECs or QMACs under AA §6-4 or AA §6B-4 are always 100% vested.*]

☑ (a) **Employer Contributions (see AA §6)**

☑ (1) Full and immediate vesting.

☐ (2) Three-year cliff vesting schedule

☐ (3) Six-year graded vesting schedule

☑ (b) **Matching Contributions (see AA §6B)**

☑ (1) Full and immediate vesting.

☐ (2) Three-year cliff vesting schedule

☐ (3) Six-year graded vesting

☑ (a) **Employer Contributions (see AA §6)**

☐ (4) Modified vesting schedule

______% after 1 Year of Service

______% after 2 Years of Service

______% after 3 Years of Service

______% after 4 Years of Service

______% after 5 Years of Service

100% after 6 Years of Service

☐ (5) Other vesting schedule: ____________

☑ (b) **Matching Contributions (see AA §6B)**

☐ (4) Modified vesting schedule

________% after 1 Year of Service

________% after 2 Years of Service

________% after 3 Years of Service

________% after 4 Years of Service

________% after 5 Years of Service

100% after 6 Years of Service

☐ (5) Other vesting schedule ____

[Note: If a modified vesting schedule is selected under subsection (4) for Employer Contributions or Matching Contributions, the vested percentage for every Year of Service must satisfy the vesting requirements under the 6-year graded vesting schedule, unless 100% vesting occurs after no more than 3 Years of Service. If the Employer is a governmental entity or nonelecting church plan (i.e., a non-ERISA plan), the Employer may elect under subsection (5) a vesting schedule that satisfies the pre-ERISA vesting requirements.]

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

☑ (a) None, all service with the Employer counts for vesting purposes.

☐ (b) Service before the original Effective Date of this Plan is excluded. (See Section 7.06 of the Plan for rules regarding Predecessor Service.)

☐ (c) Service completed before the Employee's ____ (not to exceed 18th) birthday is excluded.

[Note: See Section 7.06 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

☑ (a) dies

☑ (b) terminates employment due to becoming Disabled

☐ (c) reaches Early Retirement Age

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply. (See Section 7.07 of the Plan.)

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

ER	Match	
☐	☐	(a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ *[must be less than 1,000]* Hours of Service during a Vesting Computation Period.
☐	☐	(b) **Vesting Computation Period (VCP).** Instead of the Plan Year, the Vesting Computation Period is: ☐ (1) The 12-month period beginning with the anniversary of the Employee's date of hire. ☐ (2) Describe: ______________________ *[Note: Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]*
☐	☐	(c) **Elapsed Time Method.** Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the Plan.)

ER	Match	
☐	☐	(d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a) (2) of the Plan). The Equivalency Method will apply to: ☐ (1) All Employees. ☐ (2) Employees who are not paid on an hourly basis. For Employees paid on an hourly basis, vesting will be determined based on actual hours worked. If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method. ☐ (3) **Monthly.** 190 Hours of Service for each month worked. ☐ (4) **Daily.** 10 Hours of Service for each day worked. ☐ (5) **Weekly.** 45 Hours of Service for each week worked. ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.
☐	☐	(e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.07(c) of the Plan).
☐	☐	(f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 7.07(b) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
☐	☐	(g) **Special vesting provisions.** No special vesting provisions apply unless designated under this subsection (g): ____________________ *[Note: Any special vesting provision designated in subsection (g) must satisfy the requirements of Code §411(a) and must satisfy the nondiscrimination requirements under §1.401(a)(4) of the regulations.]*

8-6 ALLOCATION OF FORFEITURES. Any forfeitures occurring during a Plan Year will be:

ER	Match	
☐	☐	(a) Reallocated as additional Employer Contributions or as additional Matching Contributions.
☐	☐	(b) Used to reduce Employer and/or Matching Contributions.

For purposes of this AA §8-6, forfeitures will be applied:

☐	☐	(c) for the Plan Year in which the forfeiture occurs.
☐	☐	(d) for the Plan Year **following** the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under this AA §8-6:

☐	☐	(e) Forfeitures will be used to pay Plan expenses.
☐	☐	(f) Forfeitures will **not** be used to pay Plan expenses.

8-7 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.

(a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 7.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-7(a).

☑ The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

(b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-7(b).

☐ A forfeiture will occur upon the completion of ____ *[cannot exceed 5]* consecutive Breaks in Service (as defined in Section 7.07(a) of the Plan).

SECTION 9
DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

9-1 AVAILABLE FORMS OF DISTRIBUTION.

Lump sum distribution Unless selected otherwise under subsection (e) below, a Participant may take a distribution of his/her entire vested Account Balance in a single lump sum.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (e) below and indicate that no lump sum distribution is available under the Plan.

☑ (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.

☑ **Minimum distribution amount.** A Participant may not take a partial lump sum distribution of less than $1000____.

☑ (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

☐ (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 8.11 of the Plan.

☑ (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.02 of the Plan.

☐ (e) **Describe:** ____________________

[Note: Any distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-2 QUALIFIED JOINT AND SURVIVOR ANNUITY RULES. This Plan is not subject to the Qualified Joint and Survivor Annuity rules, except to the extent required under Section 9.01 of the Plan (e.g., if the Plan is a Transferee Plan). Upon termination of employment, a Participant may receive a distribution from the Plan, in accordance with the provisions of AA §9-3, in any form allowed under AA §9-1. (If any portion of this Plan is subject to the Qualified Joint and Survivor Annuity rules, the QJSA and QPSA provisions will automatically apply to such portion of the Plan.)

To override this default provision, complete the applicable sections of this AA §9-2.

☐ (a) **Qualified Joint and Survivor Annuity rules.** Check this (a) to apply the Qualified Joint and Survivor rules to the entire Plan. If this (a) is checked, all distributions from the Plan must satisfy the QJSA and QPSA requirements under Section 9 of the Plan, with the following modifications:

☐ (1) **No modifications.**

☐ (2) **Modified QJSA benefit.** Instead of a 50% survivor benefit, the spouse's survivor benefit is:

☐ (i) 100%. ☐ (ii) 75%. ☐ (iii) 66-2/3%.

☐ (3) **Modified QPSA benefit.** Instead of a 50% QPSA benefit, the QPSA benefit is 100% of the Participant's vested Account Balance.

☐ (b) **One-year marriage rule.** The one-year marriage rule does not apply unless this (b) is checked. See Section 9.04(c)(2) of the Plan.

9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.

(a) **Distribution of vested Account Balances exceeding $5,000.** A Participant who terminates employment with a vested Account Balance exceeding $5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:

☑ (1) the date the Participant terminates employment.

☐ (2) the last day of the Plan Year during which the Participant terminates employment.

☐ (3) the first Valuation Date following the Participant's termination of employment.

☐ (4) the completion of ____ Breaks in Service.

☐ (5) Describe: ____________________

[Note: Any distribution event described in (5) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

(b) **Distribution of vested Account Balances not exceeding $5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed $5,000 may receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:

☑ (1) the date the Participant terminates employment.

☐ (2) the last day of the Plan Year during which the Participant terminates employment.

☐ (3) the first Valuation Date following the Participant's termination of employment.

☐ (4) Describe: ______________________________

[Note: Any distribution event described in (4) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-4 SPECIAL RULES.

(a) **Availability of Involuntary Cash-Out Distributions.** A Participant who terminates employment with a vested Account Balance of $5,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.06 of the Plan.

Alternatively, an Involuntary Cash-Out Distribution will be made to the following terminated Participants

☐ (1) **No Involuntary Cash-Out Distribution.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan.

☐ (2) **Lower Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:

☐ (i) $1,000

☐ (ii) $_____ *(must be less than $5,000)*

(b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the Plan do not apply to any Involuntary Cash-Out Distribution below $1,000 (to the extent available under the Plan).

To override this default provision, check this subsection (b).

☑ Check this (b) to apply the Automatic Rollover provisions under Section 8.06 of the Plan to all Involuntary Cash-Out Distributions (including those below $1,000).

(c) **Treatment of Rollover Contributions.** Unless elected otherwise under this (c), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.04(a) of the Plan. To include Rollover Contributions for purposes of applying the Plan's distribution rules, check below.

☐ In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be included.

(d) **Distribution upon attainment of stated age.** A Participant must consent to a distribution from the Plan at any time prior to attainment of the Participant's Required Beginning Date.

To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.

☐ Subject to the spousal consent requirements under Section 9.04 of the Plan, a distribution from the Plan will be made to a terminated Participant without the Participant's consent, regardless of the value of such Participant's vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).

SECTION 10
IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

10-1 AVAILABILITY OF IN-SERVICE DISTRIBUTIONS. A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §10-1.

Deferral	Match	ER	
☐	☐	☐	(a) No in-service distributions are permitted.
☑	☐	☑	(b) Attainment of age 59½ ___. *[If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]*
☑	☐	☐	(c) A Hardship (that satisfies the safe harbor rules under Section 8.09(d)(1) of the Plan). *[Note: Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account, QNECs, QMACs, or Safe Harbor Contributions.]*

Deferral	Match	ER		
☐	☑	☐	(d)	Attainment of Normal Retirement Age. *[If Normal Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]*
☐	☐	☐	(e)	Attainment of Early Retirement Age. *[If Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]*
N/A	☐	☐	(f)	Completion of ____ Years of Service. *[This election is not available with respect to amounts held in a Custodial Account.]*
☐	☐	☐	(g)	Describe: ____________________

[Note: Unless designated otherwise under (g), any selection(s) in the Deferral column also apply to Roth Contributions, After-Tax Contributions, Safe Harbor Contributions, QMACs and QNECs. Distributions from a Participant's Salary Deferral Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, has a Hardship, becomes Disabled or attains age 59 ½. Distributions from a Participant's Custodial Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, becomes Disabled or attains age 59 ½.]

10-2 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-2.

☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.

☐ (b) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.

☐ (c) A Participant may not take an in-service distribution of less than $____ (may not exceed $1,000).

☐ (d) If a Hardship distribution is permitted in AA §10-1 above, a Participant may take such a Hardship distribution after termination of employment.

☐ (e) Describe: ____________________

[Note: Any special rules described in (e) will apply uniformly to all Participants under the Plan.]

10-3 **REQUIRED BEGINNING DATE – NON-5% OWNERS.** In applying the required minimum distribution rules under Section 8.11 of the Plan, the Required Beginning Date for non-5% owners is:

☑ (a) the later of attainment of age 70½ or termination of employment.

☐ (b) the date the Employee attains age 70½, even if the Employee is still employed with the Employer.

10-4 **HARDSHIP DISTRIBUTIONS.** Unless elected below, the hardship distribution provisions of the Plan do not apply with respect to primary beneficiaries. See Section 8.09(d)(4) of the Plan.

☑ Check this AA §10-4 to allow hardship distribution to be determined based on a hardship of a primary beneficiary (as permitted under Section 8.09(d)(4) of the Plan).

SECTION 11
MISCELLANEOUS PROVISIONS

11-1 **VALUATION DATES.** The Plan is valued **annually**, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:

Deferral	Match	ER		
☑	☑	☑	(a)	**Daily.** The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
☐	☐	☐	(b)	**Monthly.** The Plan is valued at the end of each month of the Plan Year.
☐	☐	☐	(c)	**Quarterly.** The Plan is valued at the end of each Plan Year quarter.
☐	☐	☐	(d)	**Describe:** ____________________

[Note: The Employer may elect operationally to perform interim valuations, provided such valuations do not result in discrimination in favor of Highly Compensated Employees.]

11-2 **DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated (as defined in Section 1.57 of the Plan), the following rules apply:

☑ (a) The **Top-Paid Group Test** does not apply.

☐ (b) The **Top-Paid Group Test** applies.

☐ (c) The **Calendar Year Election** applies. [*This (c) may be chosen only if the Plan Year is not the calendar year. If this (c) is not selected, the determination of Highly Compensated Employees is based on the Plan Year. See Section 1.57(d) of the Plan.*]

11-3 **SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.03 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-3 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the Plan.

☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending ________________.

[*Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year, unless provided otherwise in (c) below.*]

☐ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Nonhighly Compensated Participant who terminates employment on account of becoming Disabled. (See Section 5.03(c)(7)(iv) of the Plan.)

☐ (c) **Special rules.** Instead of the default provisions under Section 5.03 of the Plan, the following rules apply:

____

11-4 **SPECIAL RULES FOR MORE THAN ONE PLAN.** If the Employer maintains another Defined Contribution Plan in which any Participant is a participant, the rules set forth under Section 5.03(b)(5) of the Plan apply.

To modify the default provisions under Section 5.03(b)(5) of the Plan, designate how such rules will apply.

☐ Instead of applying the default rules under Section 5.03(b)(5) of the Plan, the Employer will limit Annual Additions in the following manner: ____

11-5 **DELEGATION OF ADMINISTRATIVE FUNCTIONS.** Generally the Employer, as Plan Administrator, has responsibility to administer the Plan. These responsibilities include compliance with Code §403(b) and other tax requirements. However, the Employer may delegate such responsibilities to a third party, including a provider of an Annuity Contract or Custodial Account, provided such third party agrees to such delegation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants. (See Section 11.06 of the Plan.)

☐ The following special provisions apply with respect to the delegation of administrative responsibilities, including any insurance policies, custodial agreements or other documents that are incorporated into the Plan by reference:

____

11-6 **CONTRACT EXCHANGES AND PLAN-TO-PLAN TRANSFERS.** Unless otherwise indicated below, the Plan authorizes contract exchanges and plan-to-plan transfers.

☐ (a) **Contract exchanges.** The Plan does not authorize contract exchanges as described in Section 14.04 of the Plan.

☑ (b) **Plan-to-plan transfers.** The Plan does not authorize plan-to-plan transfers as described in Section 14.05 of the Plan.

11-7 **SPECIAL RULES APPLICABLE TO THIS PLAN.** The following rules apply to this Plan: This Plan is not subject to ERISA.

APPENDIX A
SPECIAL EFFECTIVE DATES

☑ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:
CNA nurses (effective January 1, 2006) and the CEO (effective September 9, 2008) are excluded from Match Contributions. All Employees except CNA nurses are excluded from the Employer Contribution.

☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions Entry Date provisions specified in AA §4 are effective as follows:

☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

☐ A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:

☐ A-5 **Salary Deferrals.** The provisions regarding Salary Deferrals under AA §6A are effective as follows:

☐ A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

☐ A-7 **Safe Harbor Plan provisions.** The Safe Harbor Plan provisions under AA §6C effective as follows:

☐ A-8 **After-Tax Contributions.** The After-Tax Contribution provisions under AA §6D are effective as follows:

☐ A-9 **Retirement age.** The retirement age provisions under AA §7 are effective as follows:

☑ A-10 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:
Effective August 1, 2014, the forfeiture account shall be reallocated as additional Employer Contributions or as additional Matching Contributions on a uniform basis to Participants who are actively employed by the Employer as of August 1, 2014, and have an account in the West Contra Costa Health Care District Tax Deferred Retirement Investment Plan.

☐ A-11 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

☐ A-12 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:

☐ A-13 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:

☐ A-14 **Special effective date provisions for merged plans.** If any retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply, except as follows:

☐ A-15 **Other special effective dates:**

APPENDIX B
LOAN POLICY

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

☑ (a) Yes.

☐ (b) No.

B-2 **LOAN PROCEDURES.**

☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.

☑ (b) Loans will be provided under a separate written loan policy. [*If this (b) is checked, do **not** complete the remainder of this Appendix B.*]

B-3 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to $10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-3.

☐ A Participant may take a loan equal to the greater of $10,000 or 50% of the Participant's vested Account Balance. [*If this AA §B-3 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.*]

B-4 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

☐ (a) A Participant may have ___ loans outstanding at any time.

☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-5 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-5.

☐ (a) The prime interest rate

☐ (1) plus ___ percentage point(s).

☐ (b) Describe: ______________________________

B-6 **MINIMUM LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than $1,000. To modify the minimum loan amount, complete (a) or (b) below.

☐ (a) There is no minimum loan amount.

☐ (b) The minimum loan amount is $_____.

B-7 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, complete (a) or (b) below.

☐ (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.10(d)(1)(i) of the Plan.

☐ (b) A Participant may only receive a Participant loan under the following circumstances: ______________

B-8 **SOURCE OF LOAN.** The default loan policy under Section 13.09 of the Plan provides that Participant loans will be made first from Employer Contribution and Employer Matching Contributions Accounts and then from the Salary Deferral Account(s). To modify the default loan policy to modify the contribution sources from which a Participant loan is made, complete (a) or (b) below.

☐ (a) Participant loans will be made on a prorata basis from all contribution sources.

☐ (b) Participant loans will only be available from the following contribution sources: ______________

© 2010 ASC Institute

APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without reexecuting this Agreement by substituting an updated Appendix C with new elections.

C-1 **DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.08(c) of the Plan.)

- ☐ (a) No
- ☑ (b) Yes
  - ☑ (1) Specify Accounts: All
  - ☐ (2) Check this selection if the Plan is intended to comply with **ERISA §404(c)**. (See Section 10.08(d) of the Plan.)

C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.07 of the Plan.)

- ☐ (a) No
- ☑ (b) Yes

C-3 **QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.07 of the Plan apply?

- ☑ (a) No
- ☐ (b) Yes

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed for West Contra Costa Health Care District Tax Deferred Retirement Investment Plan to effect:

☐ (a) The adoption of a **new plan**, effective ________________ *[insert Effective Date of Plan]*.

☑ (b) The **restatement** of an existing plan, effective 9-25-2014 ________________ *[insert Effective Date of Plan]*.

(1) Name of Plan(s) being restated: West Contra Costa Health Care District Tax Deferred Retirement Investment Plan.

(2) The original effective date of the plan(s) being restated: 1-1-1994

☐ (c) An **amendment** of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.

(1) Identify the section(s) of the Adoption Agreement being amended: ________________

(2) Effective Date(s) of such changes: ________________

☐ (d) To identify a **Successor Employer.** Check this selection if a successor to the signatory Employer is continuing this Plan as a Successor Employer. Complete this Employer Signature Page and substitute a new page 1 under this Adoption Agreement to identify the Successor Employer. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.

(1) Effective Date of the amendment is: ________________

[Note: It is recommended that the Employer consult with legal counsel before executing this Agreement.]

West Contra Costa Health Care District dba Doctors Medical Center
(Name of Employer)

____
(Name of authorized representative) *(Title)*

____
(Signature) *(Date)*

© 2010 ASC Institute

CUSTODIAN/INSURANCE COMPANY DECLARATION

Effective date of Declaration: 9-25-2014

Custodian/Insurance Company Signature. By signing this Declaration, the Custodian/Insurance Company agrees to the duties, responsibilities and liabilities imposed on the Custodian/Insurance Company by the BPD and this Agreement.

THIS PAGE IS FOR YOUR CONVENIENCE IN TRACKING VENDORS FOR YOUR PLAN
(Print name)

(Signature of authorized representative) *(Date)*

Lincoln National Life Insurance Company
(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

(Print name)

(Signature of authorized representative) *(Date)*

INTERIM AMENDMENT #1
AMENDMENTS TO COMPLY WITH THE HEART ACT, WRERA AND OTHER IRS GUIDANCE

This Section contains the elective provisions for implementing the interim amendments set forth in Appendix B of the Plan. The interim amendments and any elections under these elective provisions are effective as set forth in Appendix B of the Plan and supersede any contrary provisions under the Plan or Adoption Agreement. This Interim Amendment does not replace any prior amendments that were adopted to comply with the remedial amendment requirements applicable to these interim amendments. Thus, the date of adoption of any prior interim amendments will continue to control in determining the date as of which such amendments were first adopted to comply with these rules.

IA1-1 HEART ACT PROVISIONS.

(a) **Benefit Accruals.** The benefit accrual provisions under Section B-2.01(b) of the Plan do not apply. To apply the benefit accrual provisions under Section B-2.01(b) of the Plan, check the box below.

☐ **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section B-2.01(b) of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

(b) **Treatment of Differential Pay.** Section B-2.01(c) of the Plan provides that if an individual performing service in the Uniformed Services receives Differential Pay from the Employer, such Differential Pay is treated as Total Compensation under the Plan. In addition, unless designated otherwise below, Differential Pay will be treated as Plan Compensation for purposes of applying the contribution provisions under the Plan. To exclude Differential Pay from Plan Compensation, check the box below.

☐ **Definition of Plan Compensation.** Check this box if Differential Pay will be excluded from the definition of Plan Compensation. If this box is checked, no contribution under the Plan will be made with respect to Differential Pay.

IA1-2 REQUIRED MINIMUM DISTRIBUTION. For purposes of applying the Required Minimum Distribution rules for the 2009 Distribution Calendar Year, as described in Section B-2.02(a) of the Plan, a Participant (including an Alternate Payee or beneficiary of a deceased Participant) who is eligible to receive a Required Minimum Distribution for the 2009 Distribution Calendar Year may elect whether or not to receive the 2009 Required Minimum Distribution (or any portion of such distribution). If a Participant does not specifically elect to leave the 2009 Required Minimum Distribution in the Plan, such distribution will be made for the 2009 Distribution Calendar Year as set forth in Section B-2.02(a) o f the Plan.

☑ **No distribution.** If this box is checked, 2009 Required Minimum Distributions will not be made to Participants who are otherwise required to receive a Required Minimum Distribution for the 2009 Distribution Calendar Year under Section 8.11 of the Plan, unless the Participant elects to receive such distribution.

IA1-3 PROVISIONS TO COMPLY WITH FINAL AUTOMATIC CONTRIBUTION REGULATIONS.

(a) **Permissive Withdrawals under Eligible Automatic Contribution Arrangement.** Section 3.03(c)(2) of the Plan allows a Participant to make a permissive withdrawal of amounts that are automatically contributed to the Plan, provided the Employee requests a withdrawal no later than 90 days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. To provide for a shorter period by which a Participant must elect a permissive withdrawal from the Plan, check the box below.

☐ **Time period for electing a permissive withdrawal.** Instead of a 90-day election period, a Participant must request a permissive withdrawal no later than ___ *[may not be less than 30 or more than 90]* days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

(b) **Effective date of automatic increase.** The automatic increase provisions under AA §6A-8(b) are generally effective as of the beginning of a Plan Year (as set forth in Section 3.03(c) of the Plan). The first automatic increase occurs as of the appropriate date within the second full Plan Year following the Plan Year in which automatic contributions begin under the Plan. To provide for the automatic increase as of a different date during the Plan Year, check the box below:

☐ (1) **Automatic increase during Plan Year.** Instead of becoming effective on the first day of the Plan Year, the automatic increase provisions under AA §6A-8(b) will be effective on ______ of each Plan Year.

☐ (2) **Timing of first automatic increase.** Instead of applying as of a date within the second full Plan Year following the Plan Year in which automatic contributions begin, the first automatic increase under AA §6A-8(b) will apply as of the appropriate date within the first full Plan Year following the date the automatic contributions begin under the Plan.

(c) **Treatment of Rehires.** In applying the provisions of AA §6A-8, a Participant who does not make automatic deferrals to the Plan for a full Plan Year will be treated as a new Employee if such Employee should recommence making automatic deferrals under the Plan. Thus, the Participant's automatic deferral percentage will be calculated as though the recommencement of automatic deferrals is the date the individual first began making automatic deferrals under the Plan. To override this provision, check the box below.

☐ **Recommencement of automatic deferrals treated as continuation from initial deferral date.** In applying the provisions of AA §6A-8, a Participant who does not make automatic deferrals to the Plan for a full Plan Year will not be treated as a new Employee if such Employee should recommence making automatic deferrals under the Plan. Thus, the Participant's automatic deferral percentage will continue to be calculated based on the date the individual first began making automatic deferrals under the Plan.

IA1-4 **APPLICATION OF AMENDMENT.** This amendment is hereby adopted on behalf of the Plan. The above amendment applies to the signatory Employer and any other adopting employers of the Plan. This amendment supersedes any contrary provisions under the Plan.

West Contra Costa Health Care District dba Doctors Medical Center
(Name of Employer)

____
(Name of Authorized Representative) *(Title)*

____
(Signature) *(Date)*

Agreement on Effects Bargaining between BR DMC and NUHW on 9/26/14 BM

The National Union of Healthcare Workers and the West Contra Costa Healthcare District (the parties) are in ongoing negotiations over the decision and the affects of staff reductions at Doctors Medical Center San Pablo. Additionally, the parties continue to work under the terms and conditions of the most recent collective bargaining agreement, which expired on July 31, 2012 and will do so until a resolution of outstanding issues from those negotiations can be reached.

While the parties continue negotiations on the decision and effects of the announced reductions the following is intended to document what agreements have been reached thus far in the negotiations and can or have been implemented and what issues remain outstanding. Those issues indicated as agreed upon below will be implemented.

1. Retirement Plans: The Employer has proposed and the Union has agreed to vest all active plan participants at 100% in the 403(B) and 401(A) plans effective August 1, 2014, and to divide the remaining resources in the forfeiture account of the 403(B) plan in equal dollar amounts among active participants in the 403(B) plan.

2. Retiree Health Benefit Funds: The parties agree that the current balance of the retiree health fund set aside for NUHW members, which is reported to be $528,000 will be liquidated and the monies will be apportioned among all active and qualified retiree Fund participants on whose behalf the Employer contributed money to the fund during the years 2005, 2006, 2007, 2008. The amount to be paid to each individual employee will be based on the percentage of the total contributions their initial Employer paid contributions represented. The parties will meet to review the calculations and review the eligibility of those employees who have left employment with the Employer. The parties will negotiate over the use of any unclaimed money.

3. Sick Leave Cashout: ~~position is to~~ BM ~~The Employer abide by the current collective bargaining agreement which states that "Any sick leave accumulation beyond the three hundred and sixty (360) hour maximum shall be converted, at the employee's option, into either cash or extra vacation in the ratio of one (1) unit of each for every three (3) units of sick or one unit of vacation for every two (2) units of sick leave."~~ BM BR The parties agree to abide by the current CBA.

4. Severance Pay: This is an open issue and the parties continue negotiations on this subject.

5. Recall Rights: This is an open issue and the parties continue negotiations on this subject. The Employer's position is to follow the language of the current collective bargaining agreement.

6. Vacation Payout: The employer will pay out all earned vacation hours at the time of layoff or conversion to non-benefited status.

7. Sucessors and Assigns: The Employer agrees to follow the current contract language.

8. Health Insurance: The parties acknowledge that the Employer has implemented two new Kaiser Permanente health insurance plans for all employees who are regularly scheduled to work more than 20 hours a week at the monthly premium rates that employee's previously paid for the Doctor's Medical Center self insured "Anthem" health plan. The Union reserves the right to continue negotiations on this issue.

BR. 9. ~~Any part of t~~This agreement ~~that is in conflict with the existing collective bargaining agreement~~ is subject to the ratification vote of NUHW members. BM

and the DMC Board of Directors. BR BM

TA [signature] 8/26/14 NUHW

Bob Redlo V.P. DMC 8/26/14